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ACCOMPANYING THE

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OF THE

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AT THE

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[No. 5.]

Bank Commissioner's Report.

*To the Honorable the Senate and House of Representatives of
the State of Michigan.*

The undersigned, late a bank commissioner of this state, has the honor herewith to transmit an exhibit of the affairs and condition of the several banking institutions therein named, and to report:

That although more than a month has elapsed since the undersigned resigned the office of bank commissioner, yet he believes it a duty he owes to the people and their representatives, to give an account of the situation of the several banks under his supervisory charge, and other matters relative to the performance of the duties of that office during the past year, as it also becomes a service of necessity by reason of the unavoidable absence of Mr. Pritchette, the only remaining bank commissioner, who is detained on business out of the state.

Immediately after the passage by the last legislature, of the law entitled "An act to provide for the voluntary dissolution of corporations, and to prescribe the duties of receivers in chancery in certain cases, and for other purposes," about the close of their session, the commissioners met in the city of Detroit, and determined upon the form of a circular, to be addressed to all the banking institutions under the general law; which circular required information as to their probable intentions of availing themselves of the privileges of that act; and to which was annexed a printed copy of that law, and also the "Act more effectually to protect the public against various frauds."

In conformity to the provisions of the first mentioned enactment, the bank of Niles has, upon its petition to the chancellor, obtained a decree for its dissolution, and its affairs are now being settled by a receiver appointed for that purpose.

The Commercial bank of St. Joseph, the bank of Battle Creek, the bank of Tecumseh, and the bank of Superior, have

been also applicants for the dissolution of their respective institutions, and such proceedings have been instituted in their cases, as were prescribed by the law, and no doubt exists of their obtaining a decree in compliance with their several petitions.

Since the last annual report of the commissioners, injunctions have been obtained against the following named banks, on complaints of violations of chartered privileges, and general insolvency, to wit:

Detroit city bank,

Bank of Ypsilanti,

Bank of Manchester,

Michigan state bank, injunction special; prohibiting all transactions, except such as are necessary in winding up,

Bank of Singapore,

Farmers' bank of Homer,

Grand river bank,

Erie and Kalamazoo railroad bank,

Huron river bank,

Merchants' and Mechanics' bank of Monroe.

Genesee county bank;

For nearly all of which receivers have been appointed, whose names and residences will be found in a document accompanying the report of the attorney general, and to which, for *general information* concerning *all* the banks under injunction, the undersigned respectfully directs the attention of the legislature.

There are now existing, and in operation under the general banking law, the bank of Marshall, Detroit and St. Joseph railroad bank, Merchants' bank of Jackson, at Brooklyn, and bank of Adrian.

All of which were, at the date of their respective examinations, redeeming their circulation, which is small, with good funds; and, as will appear by the annexed tabular statement, they severally had the ability to do.

These banks, it is believed, have in the main, complied with the *important* requirements of the law under which they are organized. The compliance with the provisions requiring the payment of an additional annual instalment of 10 per cent, has not been insisted on; as upon consultation with the attorney general it was deemed at present *unimportant*, and not sufficient of itself, and for no other cause, to be good grounds for the obtaining a writ of injunction against them; believing also, that in case of its payment under present circumstances, it could not be made available as a relief to the people, or as a source of profit to the institutions; and was, therefore, considered in this view, and under such circumstances, a mere nominal requirement, not effecting the *interests* of the community, either in its breach or its observance.

The bank of River Raisin, bank of Constantine, Calhoun county bank, bank of Michigan and branch at Kalamazoo, and Farmers' and Mechanics' bank at Detroit, have all suspended specie payments for the notes of their respective institutions; but are not under injunction, for the reasons hereinafter mentioned.

Upon a conference of the commissioners with the attorney general, on the cases of the three first named, it was thought that under the peculiar circumstances of each, the public interests would be better served by using a limited forbearance, than by the institution of proceedings in chancery against them; for the reason that it was believed their suspension was induced more by the operation and effect of the general embarrassment under which all our country banks, at least, have suffered, than by any *particular* culpable mismanagement of their own; and because it was believed that under the agency of their own officers, relying upon their integrity, their liabilities might be more speedily and effectually diminished, and of course a corresponding relief afforded thereby to their creditors, than by recourse to any proceedings at law.

How far correct this determination has been proven, will be perceived by the comparative statements of the River Raisin bank, as given in the annexed abstract, by which it will appear that their circulation has been reduced since their suspension on the 24th of August last, to the 16th December inst., from \$32,950 to \$19,611; and as will also be shown by extracts from the statements of the Calhoun county bank, hereinafter given.

The condition of this last mentioned institution, will be found fully explained in the notes of reference attached to the accompanying abstract. It will there appear that much the largest item of their indebtedness, (about \$46,000,) is to the Michigan state bank, and which they have collaterally secured by hypothecation, of an equal amount of their bills discounted; for the payment of which, however, the Calhoun county bank is liable and holden by the endorsement of its cashier. The debt is by no means paid by this arrangement, nor can the security given be considered undoubted and substantial; but it is certain that the mutual interests of both institutions in the transaction, the one anxious to pay its debts, the other to receive its dues, will stimulate to increased effort to obtain payment of this paper, or get in its stead permanent and valuable securities.

The interests of the state, particularly in the one, and of the public generally, in the other of these institutions, which are at stake, is the main reason for introducing this transaction here in detail.

The president of this bank is now absent from the state, endeavoring to negotiate a loan for its resuscitation; or, for at least enough to redeem its liabilities to the public. What his

prospect of success, may be; the undersigned is unable to determine. The belief is, however, entertained that zealous efforts will be made by that institution to resume full operation, or at least to pay bill holder and depositor; either event is, nevertheless, at present, in their case, as in that of the River Raisin bank, and bank of Constantine, very uncertain.

The last personal examination of the Calhoun county bank was made by the undersigned a few days after its suspension; and its statement at that time is the one incorporated in the general abstract. They stood charged then, with an outstanding circulation of \$26,453;—by a subsequent statement, transmitted to the attorney general, of the 7th instant, their outstanding circulation is set down as \$21,468, showing a diminution of about \$5,000, which has probably been paid in, on debts due them.

Among the other considerations which induced delay in instituting legal proceedings against the bank of Constantine, was the important one of affording an opportunity to obtain real estate securities on certain obligations which they held, constituting no inconsiderable part of the aggregate amount of their assets, which seasonable time they have improved to the best advantage, and the object is, in a fair train of accomplishment.

The immediate liabilities of this bank, it will be noticed, are not great; and otherwise their affairs seem to have been conducted with prudence, and an honorable desire to sustain themselves.

As to the present goodness of the general assets of these banks, however, the undersigned is not willing to risk an opinion, under the present circumstances of the times. The most that can be said is, that he believes, with few exceptions, their bills discounted and collateral securities to be as generally good, as is ordinarily taken or received for discount by banks commonly.

The three aforementioned banks, are under strict requirement to render *weekly* reports of their condition to the attorney general.

No statement of the affairs of the bank of Michigan is given in the annexed abstract, for the reason, that the institution "does not consider itself subject to the provisions of any law of this state, which authorizes the bank commissioners to examine into its affairs;" and would, therefore, permit no such official examination to be made.

Subjoined is given copies of the correspondence on this subject, between the president of that bank, and Mr. Pritchette, the commissioner, and between the last named officer and the executive.

BANK OF MICHIGAN, }
 Detroit, October 28, 1839. }

KINTZING PRITCHETT, Esq., Bank Commissioner, &c.:

DEAR SIR—In reply to your inquiry of this morning, I beg leave to state, that the bank of Michigan is not considered subject to the provisions of any law of this state which authorizes the bank commissioner to examine into its affairs.

At the same time, it will give me great pleasure to furnish you, as an individual, any information on the subject which you may desire.

Very respectfully yours,

C. C. TROWBRIDGE,
President.

To His Excellency STEVENS T. MASON:

SIR—I have the honor to report to you, that on my application, as one of the bank commissioners of this state, to the bank of Michigan, with a view to an official investigation of its affairs and condition, I was informed that this institution was not considered subject to such investigation. The enclosed communication to that effect has been received from the president of that corporation.

It seems proper to lay before you the several provisions of law upon which the opinion was founded that this institution was liable to visitation, and required my official attention.

The eighth section of the act entitled "An act suspending, for a limited time, certain provisions of law, and for other purposes, approved, June 22, 1837," provides that the said act "shall not take effect in favor of any bank not subject to the act entitled "An act to create a fund for the benefit of the creditors of certain moneyed corporations," passed March 28, 1836, unless such bank shall signify its assent to the provisions of this act, and the provisions of the act last above mentioned and referred to, so far as regards the visitation of the bank commissioners for the purposes specified in said act," &c. The fifteenth and following sections of the act of March 28, 1836, creates the office of bank commissioner, and designates his powers and duties.

On the 20th July, 1837, the bank of Michigan filed in the office of the secretary of state, its written assent to the provisions of the act of June 22, 1837, in conformity to the requirements of the eighth section of the said act.

This act continued in force, by the provisions of the fourteenth section thereof, until May 16, 1838, when it expired by the limitation contained in the said section, with the exception therein contained of the third and eighth sections of the same, which are still in force and binding upon all such banking institution as have signified their assent, as aforesaid.

The charter of the bank of Michigan, granted by the act of December 19th, 1817, declares by its 16th section, that if "its bills and notes are not paid when due and demanded at the banking house of said bank, and within banking hours, in the legal coin of the United States, the said corporation shall be dissolved."

The act of April 23, 1833, which allowed sixty days for the redemption of the bills of banking institutions without liability to dissolution, is repealed by the 42d section of the "Act to amend an act entitled 'an act to organize and regulate banking associations, and for other purposes,'" approved December 30, 1837.

An official communication addressed to the public by the bank of Michigan, signed by the cashier, dated October 28th, 1839, declares that the institution "has deemed it expedient to suspend, temporarily, the redemption of their notes in coin."

It thus appears that the bank of Michigan has violated the provisions of the statute of June the 22d, 1837, and of that provision of its charter which requires the redemption of its bills and notes on demand, and has thereby become liable to a dissolution of its charter.

With great respect,

Your obedient servant,

K. PRITCHETTE,

Bank Commissioner.

These papers were, by the executive, referred to the attorney general, who deemed it advisable under all circumstances, and as the legislature would soon be in session, to delay instituting legal proceedings against them, and to present the case for legislative attention.

Of the condition of the other bank under suspension, viz: The Farmers' and Mechanics' bank of Detroit, nothing is known to the undersigned. The Macomb county bank, it is said, has not closed its doors, and the amount of its circulation is very limited, and trifling, which they redeem on presentation.

It will now appear, that of all the chartered banks in this state, with any considerable amount of circulation, the bank of St. Clair alone, continues to redeem its notes upon demand, a statement of the condition of which institution, the undersigned was informed by its cashier, would be furnished to the legislature at the commencement of its session, agreeably to the requirements of its charter.

It will not perhaps become the undersigned, nor will it be expected of him, to suggest here any measure of relief from the general distress, or a remedy against a future similar occurrence; for the reason that a serious crisis of our monetary

affairs is apparent, the contingency of healthful escape from which, demands the united aid and wisdom of the representatives of the people. But it may not be unprofitable here, to review and enumerate some of the most prominent causes which have produced this sickly picture of either positive or temporary insolvency. And among the combined causes and embarrassments which have operated so injuriously and so fatally to our banking institutions generally, may be stated first, the absence of real and substantial capital as a bona-fide investment at their organization and commencement, with few exceptions; and although the *form* of law has been complied with, and the required amount of capital in coin *exhibited* at that time, yet no legal prohibition existing against *loaning* the same, it has been subsequently withdrawn, far-famed stock notes substituted, and the amount shown in the aggregate of their *loans* and *discounts*.

Then injudicious loans of large amounts, on paper at long dates, and in many cases of doubtful responsibility; the prevailing disposition to increase their profits, or promote any special interest, and the consequent unreasonable extension of circulation; then follows the certain reaction and the sudden influx of their paper, having at best a precarious credit, confined in its circulating limits not unfrequently within the boundaries of their own counties, by reason of *public distrust* in their *ability* or *integrity*, produced by the fraudulent and swindling management of some other similar institutions; then the oppressive and ruinous rate of exchange against our currency, and the consequent drafts on them for coin or eastern exchange; and last, though not least, the inability or unwillingness of very many of their debtors to pay their obligations; and the general embarrassment of the times. In view, therefore, of all these calamities and difficulties, and believing that they were not likely to be soon removed, it has been the settled determination and practice of the undersigned to discountenance every appearance of a desire with the banks to enlarge their issues; and to insist upon the reduction of their general liabilities as fast as their means would allow; in which he has been to some considerable extent successful, as their comparative statements for the years 1838 and 1839 will conclusively show.

And in connection with this subject, no better argument need be used in support of the temporizing policy adopted and pursued by the commissioners, based as they believed it was, upon the certain promotion of the whole public interest, than is given in the following extracts from the returns made to the attorney general, by the receivers of the several institutions under injunction.

| | Indebtedness for circulation alone at one time. | Total amount of present liabilities excepting capital stock. |
|--------------------------|---|--|
| Bank of Allegan, | \$39,600 | \$35,000 |
| Bank of Niles, | 39,504 | 27,000 |
| Bank of Berrien county, | 25,000 | 29,000 |
| Bank of Coldwater, | 85,000 | 58,000 |
| Farmers' bank of Sharon, | 24,000 | 19,000 |
| Farmers' bank of Homer, | 70,500 | 33,573 |
| Bank of Manchester, | 118,000 | 27,971 |

In conclusion, the undersigned begs leave, most respectfully, to be indulged in taking a brief retrospect of his discharge of the responsible, arduous and perplexing duties of this office. And in doing so, he finds deeply impressed a vivid recollection of the mental and physical suffering he has experienced in their ordinary performance; more especially, the painful solicitude he has had for the adoption and determination of such measures as would most effectually protect the public from loss and imposition, and at the same time make no unnecessary or reckless sacrifice of vested corporate rights; and if he has failed in this design, he still has the consoling approbation of his own conscience, for having with a steady eye, aimed for its accomplishment, and for the promotion of the greatest good, and the best interest of the community.

All of which is respectfully submitted.

DIGBY V. BELL,
Late Bank Commissioner.

Detroit, Dec. 30, 1839.

| Date of examination. | Name of Bank. |
|---------------------------|---------------------------------------|
| CHARTERED. | |
| September 9, 1839. | Branch bank of Michigan, |
| “ 13, “ | Bank of Constantine, |
| “ 21, “ | Calhoun county bank, |
| UNDER GENERAL LAW. | |
| Sept'ber 21, 1839. | Bank of Marshall, |
| “ 20, “ | Detroit and St. Joseph railroad bank, |
| “ 19, “ | Merchants' bank of Jackson, |
| August 23, “ | Bank of Adrian, |

STATEMENT OF THE CONDITION OF

| | | | |
|-----------------------------------|--------------|--|----|
| | | <i>August 24, 18</i> | |
| Loans, | \$207,001 18 | | Ca |
| Bank of River Raisin stock, | 3,400 00 | | Pr |
| Real estate, | 4,600 00 | | Du |
| Banking house, lot and furniture, | 7,413 12 | | De |
| Due from banks, | 7,626 18 | | Ci |
| Cash items, | 460 22 | | |
| Specie, | 98 38 | | |
| Bank notes, | 430 00 | | |
| Expenses, | 2,875 06 | | |
| | | \$233,904 14 | |
| | | <i>Condition of same as per statem</i> | |
| Loans, | \$192,025 03 | | Ca |
| Due from banks, | 7,490 90 | | Pr |
| Exchange account, | 127 00 | | Du |
| Real estate, | 4,600 00 | | d |
| Banking house, lot and furniture, | 7,413 12 | | Ci |
| Bank notes, | 454 00 | | De |
| Cash items, | 1,253 26 | | |
| Specie, | 20 50 | | |
| Bank River Raisin stock, | 10,150 00 | | |
| | | \$223,533 81 | |

Institutions o:

| | Bills of other banks of this state. | agencies. | Total amount of resources. |
|-------|---|-----------|-------------------------------|
| 71 41 | \$5,277 | 15 59 | \$124,168 29 |
| 63 08 | d 712 | 05 62 | 58,884 63 |
| 1 67 | i 3,746 | 74 63 | 103.374 18 |
| 36 16 | \$9,735 | 95 84 | \$286,427 10 |
| 07 66 | m \$1,669 | 00 93 | \$55,106 83 |
| 03 00 | 50 | 73 68 | 34,478 88 |
| 33 20 | 222 | 03 00 | 31,328 23 |
| 60 81 | 2,908 | 75 00 | 39,404 13 |
| 04 67 | \$4,849 | 52 61 | \$160,318 07 |

tal stock paid in,
 ulation,
 depositors,
 profits,

\$5,571 41
 10,402 00
 87,665 29
 2,214 00
 18,315 59
 \$124,168 29

OTP⁹.

tal paid in,
 in circulation,
 depositors,
 other banks,
 profits,

\$85 25
 4,987 00
 321,545 33
 12,538 64
 17,865 95
 28,771 15
 \$385,793 32

tal paid in,
 in circulation,
 depositors,
 other banks,
 profits,

\$3,304 67
 5,740 50
 131,994 44
 2,070 00
 17,865 95
 10,652 61
 \$160,318 07

[No. 6.]

Attorney General's Report.

OFFICE OF ATTORNEY GENERAL, }

Detroit, Dec. 28, 1889. }

To the Legislature of the State of Michigan:

I have the honor herewith to submit an account of the official business performed by me as attorney general, since the date of my last annual report. It should, perhaps, be stated here, that the annexed schedules exhibit only the general outlines of the proceedings which have been instituted, as it is believed that a minute detail of every act is neither contemplated by the provision which renders it the duty of the attorney general to make an annual report, nor would it promote any beneficial purpose. All that is material, however, to show the nature of these proceedings have been set forth, and should any further particulars become necessary or desirable, they would most cheerfully be furnished.

Schedule A, contains a statement of those cases in which the state is a party or directly interested, and as those are all civil proceedings, it will be proper to remark, that the services which have been rendered in regard to criminal matters, have been confined almost entirely to assistance given by prosecuting attorneys whenever called on, and the cases therefore are properly included in these reports. Appended to this schedule will also be found an abstract of reports which have been received at this office from several receivers, showing the situation of the banks under injunction. It was believed that something of this kind would be desirable for the purpose of showing the extent and importance of the interests involved in the proceedings which have been instituted at this office within the last two years against banks; and the document has been made as complete as the returns received would permit.

From these statements, it will be perceived, that there are *forty-three* banks in this state against which proceedings have been instituted to procure a dissolution of their corporate rights, and that thirty-four of these are owing to the public an aggregate indebtedness of more than *a million and a half*. It is also shown, indeed, that there are nominal assets in the hands of the receivers of these banks to an amount more than equal to their indebtedness. In order, however, to show the slight reliance that should be placed on these assets, it is hardly necessary to remark, that of all demands, those which are due to an insolvent corporation are the most unlikely to be cheerfully paid by the debtor; the most difficult to collect; and

the most certain to be attended by protracted and expensive litigation; and when we take into account the fact which has become sufficiently *notorious*, that most of these banks were engendered in fraud, and brought forth in direct and palpable violation of law, and in hostility to every sound principle of business or of banking, it can hardly be expected that the conversion of these assets into money will either be very rapid, or attended with great ultimate success. It is, nevertheless, hoped and believed that the several receivers are proceeding to enforce the collection of the demands in their hands with as much rapidity as the difficulties of the times and a prudent regard to the interests of the creditors will warrant, and the whole matter is submitted to the legislature with the simple remark, that if any aid can be given by legislative action which will facilitate the collection of these demands and hasten the payment of this large indebtedness, it is most important that it should be done at the earliest moment.

The next schedule, marked B, is an abstract of the annual reports of the prosecuting attorneys of the counties of Monroe, Lenawee, Branch, Kalamazoo, Jackson, Ingham, Shiawassee, Genesee and Oakland; no reports having been received from the prosecuting attorneys of the remaining counties.

Were these reports carefully prepared by the prosecuting attorneys of the different counties, and punctually transmitted to this office, as required by law, much valuable information might be laid before the legislature in regard to that most important branch of our government, the administration of the criminal law.

- An abstract of such reports, if they were complete and perfect from every county in the state, would furnish unerring data, from which it could annually be seen by the assembled representatives of the people whether crime was on the increase, or whether its withering and corrupting influence had been arrested and overpowered by the increasing virtue and morality of the people; and if the morals of the community were depreciating, if crime had become more rife and pervading, the information thus provided would afford the most convincing indications to show whether this effect resulted from errors in the law or proceeded from the impurity or inefficiency of its administration.

As it is this year, with information from only about one-third of the counties, and those not the most populous in the state, it would be hardly proper or consistent to make the facts contained in these returns alone, the basis of material suggestions as to such improvements or changes in the criminal law as are intended to operate over the whole state. Enough, however, appears in these reports, which, in connection with occurrences that have happened under my own observation, clearly

indicates that some important additional legislation is required before the criminal jurisprudence of this state can be considered a complete and perfect system.

As there is no positive enactment of the legislature of this state providing in distinct terms, that the *common law* shall be deemed and considered as a part of the law of this state in reference to crimes and their punishment, it has become a matter of doubt, or at least of discussion, with some, whether any offences can be punished except such as are particularly defined and designated, and for which the penalties are prescribed by the revised statutes.

Difficulties have been started on this subject by members of the legal profession, which, if sustained by the supreme court, would greatly embarrass the prosecution of crime; and the subject having been particularly referred to by the efficient prosecuting attorney of the county of Monroe, in his annual report, I deem it my duty to present it to the consideration of the legislature.

If there is any room for uncertainty in regard to this question, it cannot be obviated too soon, by the action of the legislative authorities, for nothing can present a more inconsistent and incongruous spectacle, than that of a community claiming to be free and enlightened, and professing to be governed by law, where there is room left for any citizen to remain in doubt as to what the law is which designates the offences and regulates the proceedings, in regard to crime.

Should this uncertainty be permitted to continue, the extent of the difficulties to which it will inevitably lead, cannot well be foreseen; the delay of justice, and the escape of the guilty, are among the least of the evils which it will be likely to bring in its train—worse than these, and more pernicious to the best interests of society, it will contribute more than any thing else to poison the public mind with regard to the administration of justice, and beget suspicion as to the disinterestedness, purity and firmness of those who minister at its altars.

It has been well said by an enlightened jurist and criminal lawyer, that whenever the law is so ambiguous or its definitions so loose as to render it doubtful whether one act or another comes within its intent, the chances of a decision in accordance with, or contrary to, the meaning and intention of the legislature, are about equal, and it becomes of course, as probable that the penalty may fall on the head of the innocent as of the guilty, and thus the innocent are made guilty, and the guilty become more depraved. Effects of this description, when produced by ambiguity in the law, or any other cause, may well excite suspicion as to the integrity and uprightness of those concerned in the administration of justice; and when such suspicion becomes general, when the public mind becomes impres-

sed with the belief that the scales of justice are not held with an exact and even hand, the purity of the public morals, the harmony and happiness of social intercourse, and the sanctity of individual rights and privileges, are all in most imminent danger, and imperiously call upon an enlightened legislature to arrest, and if possible, remove the evil.

Whether it were best and preferable, all things considered, for the legislature to adopt a *code of written law* in which every offence should be clearly and fully defined, and the forms and mode of prosecution exhibited as in a mirror, to the vision and comprehension of every citizen, so that all should feel the force and admit the propriety of the maxim, that "ignorance of the law excuseth no one;" whether the adoption of that great body of *unwritten* or common law, pronounced by chancellor Kent to be a code of matured ethics and enlarged wisdom admirably adapted to promote and secure the freedom and happiness of social life, would most conduce to the interests of the commonwealth, is a subject much too extended for present discussion. But surely if there is any room for doubt as to whether the common law is the law of this state in regard to all criminal offences not expressly defined and provided for in the revised statutes, it is of paramount importance that this uncertainty should be effectually remedied, either by a declaratory enactment establishing the common law as the standard in all cases where the offences are not specially regulated by statute, and prescribing the different grades of punishment, or that such additions should be made to the criminal code of the state, as would make it a complete and harmonious system in itself, without leaving any thing to be decided by the principles of the common law.

It is not supposed that the learned reviser who prepared our present criminal code, desired in the least to do away entirely with the common law as applicable to crimes and their punishment; on the contrary, that its salutary regulations and restraints were clearly intended to be continued of force as a point of our criminal system, is fully evident from the fact, that punishments are prescribed in several instances for offences not contained in the revision, and which are referred to as existing at common law, in contradistinction to those offences provided for by statute; and this is also further corroborated by the fact that the portion of the revised statutes relating to criminal offences is manifestly incomplete, as a whole code, as it contains no provision whatever in regard to a large number of the most ordinary and common offences. Assault and battery, barratry and conspiracy, are instances of this kind, there being no statutory provision making them criminal, and it is not to be supposed that a code could be esteemed complete and perfect,

without embracing and providing for offences so injurious to the interests and peace of society, and of such frequent occurrence.

From this view of the subject it may perhaps be thought and said by some, that there is no room for doubt; that the frequent and distinct recognitions of the common law in the revised statutes, affords such clear and conclusive indications of what were intended by the legislature, that there is no ground whatever on which to found an argument going to sustain or establish the position that the common law is not now of full force and effect, as the criminal law of this state in all cases not especially provided for by statute. But even admitting that such is the better opinion, I would still urge that it does not silence discussion; it does not prevent the question from being raised, to defeat, if possible, the conviction of a criminal, nor avoid the consequent delay; and it is undoubtedly a sound principle, that a matter so vitally important to the dearest interest of society should not be left solely to the construction of courts; but should be so regulated and established by statute, in such *plain and intelligible language*, that the most ignorant could not be left in doubt as to what constituted a criminal offence.

Another subject, to which I would respectfully invite the attention of the legislature, as materially connected with the "*proper and economical administration of the criminal law of the state*," is the passage of a law enabling the prosecuting attorneys of each county to issue subpoenas and enforce the attendance of witnesses upon a criminal prosecution, from any part of the state, and giving the circuit courts of each county the necessary additional jurisdiction for that purpose. A striking illustration of the difficulties attending the prosecution of criminals, may be found in the fact, that while the constitution of the state provides that every criminal shall have the privilege "to be confronted with the witnesses against him, and of compulsory process for obtaining the witnesses in his favor," yet, by our statutes, neither the prosecution nor the criminal are provided with any means of enforcing the attendance of witnesses, who happen to be out of the county where the trial is to take place; for the jurisdiction of each circuit court is confined to its proper county; and even if a subpoena could be served out of the limits of the county, still, if the witness refuses to come, the court have no power to compel his attendance, as an attachment or warrant for the contempt could only be served within the county where the court had jurisdiction.

As a consequence of this, it follows, that if a murder should be committed in the county of Wayne, and there was a living

witness of the fact in the county of Washtenaw, his testimony could not be procured on the trial, unless the witness voluntarily attended on being served with a subpoena; thus a murderer might escape, and justice be defrauded of its dues, as the law now stands, although positive evidence of guilt might under other circumstances be obtained from an adjoining county. It will not need any argument, I apprehend, to show the necessity or propriety of the provision which has been suggested; as it must be apparent to every one, that justice in regard to criminals can hardly be executed, whilst the public prosecution is compelled to rely for testimony upon the voluntary attendance of witnesses, without compensation, or confine himself to such as may be compelled to attend from within the county.

The same remarks are applicable to the issuing of process for the arrest of a criminal after an indictment has been found by a grand jury. There is no specific provision of law authorizing the circuit court of any county to issue a bench warrant for the arrest of an offender who has been indicted, which shall continue its force and warrant an arrest beyond the boundaries of the county; and if there is any such power, it certainly must be derived "*ex necessitate rei*," but it would surely seem that the necessity for enforcing the jurisdiction of such a court must cease entirely when you passed the statutory limits which confined its jurisdiction. If this is correct, the only basis upon which this most necessary proceeding rests, is at once destroyed; and the only means left to the prosecuting officer to enforce the execution of the criminal law against persons indicted before arrest, is to cause them to be arrested, if they are kind enough to remain within the county, or come there and thus afford an opportunity for their being taken.

The evils which may result from these sources are not as yet merely in imagination, on the contrary, they have already assumed a practical character and have been both seen and felt by those concerned in the execution of the criminal law, sufficiently to be appreciated; and it need hardly be urged that powers, so vitally essential to the proper and energetic enforcement of the penalties against crime, should never be left open for doubt and dispute, or be made to depend entirely upon construction.

Another difficulty attending the execution of the criminal law of this state, is to be found in the fact that no mode is pointed out in the revised statutes for a public prosecutor by excepting to a decision, at circuit, deemed to be erroneous, to obtain a review or rehearing in the supreme court.

The hasty decisions necessarily made in the progress of a trial at circuit, renders it quite probable that the most profound and enlightened judges may err in their opinions, and it is believed that no sufficient reason can be given why such errone-

our decisions are not as likely to be made against the prosecution in a criminal trial as in its favor. If such is the fact, and decisions are some times made which have the effect to save a criminal from merited punishment when justice would demand his conviction, surely there should be some mode in which the error could be corrected, and it would appear reasonable and proper, that this mode should be as simple as possible, and be fully regulated by statutes, so that whilst it secured to the public prosecutor an opportunity for obtaining a review of a decision deemed erroneous, it should not compromise or mitigate against the just rights of the individual charged with a criminal offence.

By the present law, the defendant in any criminal proceeding who considers himself injured by any decision of the court during his trial, may obtain a rehearing upon the point, either by motion for a new trial, bill of exceptions, case reserved, or writ of error; and it is contended that by confining this right solely to the defendant, the revised statutes necessarily preclude the exercise of a similar right by the public prosecutor; a simple provision, therefore, giving the prosecuting attorney, under proper limitations, similar rights to those which are extended to a convicted defendant, is all that is necessary.

In accordance with the provisions of law, I have deemed it my duty to accompany the abstract of the annual reports of the several prosecuting attorneys with the preceding statements and observations, and they are respectfully submitted to the legislature for such action as they, in their wisdom, shall deem advisable and proper.

P. MOREY, *Attorney General.*

Schedule A.

Statement of the official business commenced and transacted at the office of the Attorney General, for the year 1839, including the proceedings at law and in chancery, and also an abstract showing as far as practicable, the present situation of the banks under injunction, with the names and residence of the several receivers.

Law Cases—Wayne Circuit.

Henry Howard, Treasurer, &c.,
 VS.
 Joshua Howard.

Action brought to recover the amount due on a promissory note, assigned to the treasurer as collateral to the payment of a draft of ten thousand dollars on the canal bank of Albany,

being the draft taken of the bank of Ypsilanti, as stated in the auditor general's report of last year.

—
Washtenaw Circuit.

Peter Desnoyers, Treasurer, &c., }
vs.
Mark Norris. }

Action brought to recover the amount due on a promissory note, assigned to the treasurer as collateral to the payment of a draft of ten thousand dollars on the canal bank of Albany, being the draft taken of the bank of Ypsilanti, as stated in the auditor general's report of last year.

—
Washtenaw Circuit.

Peter Desnoyers, Treasurer, &c., }
vs.
Abial Hawkins. }

Action brought to recover the amount due on a promissory note, assigned to the treasurer as collateral to the payment of a draft of ten thousand dollars on the canal bank of Albany, being the draft taken of the bank of Ypsilanti, as stated in the auditor general's report of last year.

—
Washtenaw Circuit.

Peter Desnoyers, Treasurer, &c., }
vs.
James M. Edmonds and Henry Compton. }

Action brought to recover the amount due on a promissory note, assigned to the treasurer as collateral to the payment of a draft of ten thousand dollars on the canal bank of Albany, being the draft taken of the bank of Ypsilanti, as stated in the auditor general's report of last year.

—
Washtenaw Circuit.

Peter Desnoyers, Treasurer, &c., }
vs.
Daniel Latimer, and others. }

Action brought to recover the amount due on a promissory note, assigned to the treasurer as collateral to the payment of a draft of ten thousand dollars on the canal bank of Albany, being the draft taken of the bank of Ypsilanti, as stated in the auditor general's report of last year.

The People,
vs.
The Detroit and Pontiac Railroad Company. }

This is an action brought to recover the sum due the state for a quantity of railroad iron sold to the company, under a resolution of the legislature, some time since.

Stevens T. Mason, Governor, &c.,
vs.
William Ford & Jerry Ford. }

In this case the action has been instituted to recover the balance due the state, upon the bonds issued to the defendants, for the amount of the state prison loan, authorized by the last legislature,

The Commissioners of Internal Improvement,
ads.
William Warner. }

This was an appeal from the decision of the commissioners appointed to appraise the damages upon the public works.

The commissioners had allowed the sum of four hundred dollars to the appellant for his damages; this sum, upon the appeal, was more than doubled by the jury.

I would respectfully suggest here the propriety of a mature examination and revision of the law regulating the powers of the commissioners of internal improvement; as it now stands, a cursory examination, will, I am confident, satisfy every one, that the interests of the state are not sufficiently guarded and protected.

The Commissioners of Internal Improvement,
ads.
John Geddes & Robert Geddes. }

This was an action of replevin brought to recover some timber belonging to the central railroad, which the defendants had got in their possession and refused to deliver up.

Cases in Chancery.—In Chancery, 2nd Circuit.

The Bank Commissioners,
vs.
The President, Directors and Company of the Bank of Washtenaw. }

A bill was filed in this case charging numerous violations of law, and praying for an injunction, and the appointment of a receiver.

The injunction was obtained and served. The defendants filed an answer denying most of the allegations in the bill, and for a long time opposed the appointment of a receiver. Recently, however, a receiver has been appointed.

In Chancery, 1st Circuit.

The Bank Commissioners, }
 vs. }
The Detroit City Bank. }

Bill of complaint filed for violations of law, and praying for injunction and appointment of receiver.

Injunction granted and served, and receiver appointed.

In Chancery, 1st Circuit.

The Bank Commissioners, }
 vs. }
The Huron River Bank. }

Bill of complaint filed for violations of law, and praying for injunction and appointment of receiver.

Injunction granted and served, and receiver appointed.

In Chancery, 1st Circuit.

The Bank Commissioners, }
 vs. }
The Merchants' and Mechanics' bank of Monroe. }

Bill of complaint filed for violations of law, and praying for injunction and appointment of receiver.

Injunction granted and served, and receiver appointed.

In Chancery, 1st Circuit.

The Bank Commissioners, }
 vs. }
The President, Directors and Company of }
the Bank of River Raisin. }

Bill filed and injunction obtained. Upon a representation of the officers of the bank, that the bank was able and willing to redeem all its liabilities, and under the belief that the interest of its creditors would be promoted by leaving the bank at liberty to transact such business as would be necessary in closing up its affairs, the injunction has hitherto been withheld. Weekly returns are, however, received from the cashier. The bank has largely diminished its liabilities since the bill was filed, and is continuing so to do,

The Attorney General,

vs.

The President Directors and Company of the Michigan State Bank.

After the failure of the commissioners appointed by the last legislature to settle with this bank had been reported to the governor, a bill was filed and a preliminary injunction obtained and served upon the bank. The bill of complaint contained charges of insolvency, and various specific violations of its charter.

The defendants answered in part and filed a demurrer to the remainder or nearly so, of the bill; exceptions were taken to the sufficiency of the answers, and upon reference to a master, a majority of them were sustained. To the report of the master, exceptions were also taken, which are still pending and undetermined, as is also the demurrer.

A motion has also been made by the defendants for the dissolution of the injunction, which was overruled by the chancellor.

The Attorney General,

vs.

The Bank of Singapore.

Bill filed, an injunction allowed and served, and receiver appointed.

The Attorney General,

vs.

The Farmers' Bank of Homer,

Bill filed, an injunction allowed and served, and receiver appointed.

The Attorney General,

vs.

Thomas W. Langley, Adams Wakeman, and others.

The bill in this case was filed under a law of the last legislature against the defendants to enforce the redemption of the notes of the Farmers' and Merchants' bank of St. Joseph, at Centerville, (so called.) The defendants were elected directors, and certified that the bank had been organized, and had complied with the law. An injunction has been obtained and served, and an order entered for the appointment of a receiver, and a reference to a master to report a proper person for the office.

N. B. There are several cases, both at law and in chancery, which were pending at the date of my last annual report, but as their nature was then particularly explained, they are not enumerated here.

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Am

How stock was paid i

Replies of C. H. Stewart, Receiver of the Bank of Ypsilanti, to the questions proposed by the Attorney General.

| Queries proposed by the Atty General. | Answers. | Remarks. |
|---|--|---|
| 1st. The amount of notes obtained from the engraver and by whom ordered? | 1st. The bank on its organization, obtained from engraver \$270,000, by order of T. Tredwell, Esq., president. In November, 1838, \$100,000 in addition to the old plates and as justice demands that it should accompany the statement, I furnished it, as follows: 2d. About \$150,000 of a new plate by the same order. | In explanation of the notes obtained by Mr. Romeyn, that gentlemen sent me a communication, and as justice demands that it should accompany the statement, I furnished it, as follows: DETROIT, Dec. 23, 1838. |
| 2d. The largest amount ever in circulation at one time? Designate how much of this was out for "exchange," and how much loaned on discounted paper. | 2d. About \$150,000 at the time of failure, charging as circulation all that was not in the vaults—about \$50,000 of this was out for exchange, and the balance on discounted paper. | CHAS. H. STEWART, Esq. Receiver of the Bank of Ypsilanti. |
| 3d. State the amount of the outstanding liabilities, and what amount of these have been deposited in your hands as receiver? | 3d. Total liabilities, exclusive of time drafts, for which provision was made by assets delivered to T. Romeyn, \$174,564 02 40 721 18 through another person. The amount ordered and I not exceed \$120,000, of these a part were of the denominations of \$50 and \$20, respectively, and were intended for foreign circulation. A new plate was engraved, as the bank had at the time no bills of a higher denomination, in than \$10. The returns made by the engravers showed that they had mistaken my directions, and had sent as many sheets of \$110 each as I had ordered bills, of the respective amounts, of \$50 and \$20 each, thereby materially increasing the amount. The other bills ordered by me, were those of the old plate of small notes. The former supply of these had nearly all been used, and were much worn and defaced. The engravers' account of these, and the marks upon the packages corresponded with my order; but when the packages were opened they were found to contain | DEAR SIR—On the subject of the notes ordered from the engraver, by me, for the bank of Ypsilanti, I beg leave to say that I am without the means of ascertaining precisely the amount, as the order was verbal, and in part communicated through another person. The amount ordered did not exceed \$120,000, of these a part were of the denominations of \$50 and \$20, respectively, and were intended for foreign circulation. A new plate was engraved, as the bank had at the time no bills of a higher denomination, in than \$10. The returns made by the engravers showed that they had mistaken my directions, and had sent as many sheets of \$110 each as I had ordered bills, of the respective amounts, of \$50 and \$20 each, thereby materially increasing the amount. The other bills ordered by me, were those of the old plate of small notes. The former supply of these had nearly all been used, and were much worn and defaced. The engravers' account of these, and the marks upon the packages corresponded with my order; but when the packages were opened they were found to contain |
| 4th. The whole amount of assets belonging to the bank, distinguishing what portion is deemed good and available from the bad or doubtful? | Am't of these deposited with me, \$19,538 70 Am't notified to me, but not deposited, and which I do not recognize until lodged, 33,137 42 Total, \$52,676 12 I have also received as the property of the bank about, 53,000 00 105,676 12 4th. My account filed by order of the chancellor fully sets out the resources of the bank. They are as follows: Available, \$8,138 73 Am't of do which debtors are entitled to pay | |
| Carried forward. | | |

Replies of C. H. Stewart, Receiver of the Bank of Ypsilanti, to the questions proposed by the Attorney General.

| Queries proposed by the At'y General. | Answers. | Remarks. |
|---|--|---|
| Brought forward, | <p>in bills of the bank, and part of which are already received as above mentioned, — Am't of do in Mr Romeyn's hands applicable to the payment of time drafts, but not available for the purpose of a general dividend,</p> <p>Total amount available to the reduction of the liabilities,</p> <p>Total amount of assets—doubtful, do do bad,</p> | <p>impressions from the other plate of \$5 and \$10 denominations that were not ordered or wanted, as there were a large number already in the bank; through these errors thrice the amount actually ordered were sent on and received.</p> <p>I am thus particular in my statement, lest mistaken inferences should be drawn from the fact (if unexplained,) of so large an amount of bills having been received. For the same reason I beg leave to add that at the time when the orders were given, a call had been made for the stock of the bank, in the expectation of materially increasing its business and circulation, but that upon different arrangements being made, I retained the packages of new notes in my possession and delivered them to you with the engravers' seal unbroken. I also would say that while I was an officer of that bank, not a single note of any denomination was filled up and signed.</p> <p>Very respectfully, your obedient servant, THEO. ROMEYN.</p> |
| <p>5th. State if you can, what amount of capital stock was paid in "bona fide" in specie, as required by law; and if the bank was started upon a basis of specie certificates in whole or in part; state by whom the certificates were issued and by whom paid in to bank; and if specie was borrowed, state where it was obtained, and by whom paid in, and by whom drawn.</p> | <p>5th. The capital nominally paid in, was \$100,000. I have not received evidence to satisfy me that more than \$20,000 was paid in specie, but I believe this amount was actually paid "bona fide." The balance was paid in stock notes—entered as discounted paper.</p> | <p>\$31,963 00 40,731 00 \$0,888 73 98,257 01 159,042 50 \$376,728 24</p> |

6th. Set forth what amount of the assets of the bank have been prosecuted and the amount in judgment.

6th. I cannot answer with certainty, as the bank dealings were much diffused, and the debtors are scattered through this state, Illinois, New York and one in Iowa. As a general measure every claim was put in suit immediately after I received it, and it became due, unless where the debtors were too poor to justify the expense, or some special reason intervened. About \$15,000 has been put in suit and half of that amount is probably now in judgment.

CHA'S H. STEWART,

Receiver.

Detroit, December 23, 1839.

*Oakland County Bank Statement.**Liabilities.*

| | |
|---------------------|-------------------|
| Capital stock, | \$20,000 00 |
| Due depositors, | 1,616 38 |
| Discounts received, | 1,074 26 |
| Circulation, | 4,681 00 |
| | <hr/> \$27,371 64 |

Assets.

| | |
|--|-------------------|
| Bills discounted, | \$6,682 13 |
| Specie checks and notes of other banks, | \$1,554 79 |
| Over drafts, | 571 75 |
| | <hr/> 2,126 54 |
| In hands of J. A. Cowing, | 1,810 00 |
| Furniture, | 16 00 |
| Profit and loss, | 745 95 |
| Am't due from other banks, | 1,991 02 |
| do do | 14,000 00 |
| | <hr/> 15,991 02 |
| | <hr/> \$27,371 64 |

Trial balance.

| | | | |
|---------------------------|-------------------|-------------------|-------------------|
| Cash, | \$9,870 79 | Stock, | \$20,000 00 |
| Bank of Pontiac, | 4,000 00 | Discounts, | 1,074 26 |
| Expense account, | 661 19 | Lewis Godard, | 1,051 78 |
| H. L. Whipple, | 46 75 | Bills emitted, | 12,997 00 |
| Bills discounted, | 6,682 13 | Certificate acc't | 564 60 |
| Mechanics' b'k, Burl't'n, | 10,000 00 | | |
| S. G. Langdon, | 275 00 | | |
| E. Hewitt, | 132 25 | | |
| Farmers' bank of Troy, | 535 91 | | |
| Exchange, | 84 76 | | |
| Wm. H. Griswold, | 117 75 | | |
| J. A. Cowing, | 1,810 00 | | |
| Furniture, | 16 00 | | |
| Phoenix bank, N. Y., | 1,455 11 | | |
| | <hr/> \$35,687 64 | | <hr/> \$35,687 64 |

State of Michigan, Wayne county, ss.

William H. Griswold, cashier of the Oakland county bank, being duly sworn, deposes and says, that the above statement exhibits fully and truly the situation of the Oakland county bank at this date.

WM. H. GRISWOLD.

Subscribed and sworn, this 3d day of December, 1839, before me.

E. TAYLOR,
Not. Pub., Wayne co., M.

Bank of Clinton.

RECEIVER'S OFFICE,
Tecumseh, 18th Dec., 1839. }

PETER MOREY, Esq.,
Attorney General of Michigan:

SIR—In answer to your circular of the 27th, I beg leave to state,

1. That I have not been able to find any account of the notes of the bank of Clinton obtained from the engraver, or who ordered them, but circumstances lead me to suppose, that of one's two's, three's and fives, there were received ten thousand sheets, amounting to \$110,000
And of 10's, 20's and 50's, 2,000 sheets, amounting to 180,000

In all, \$290,000

I found in the office, 1,900 sheets of the latter, never put in circulation,) amounting to \$171,000
And 1,400 sheets of the former, in the same state, amounting to 15,400

186,400

Leaving, \$103,600

which have been circulated from time to time.

2. I have no means of ascertaining how much of the above was actually in circulation at any one time, nor can I ascertain how much of it (if any) was ever out for exchange or loaned on discounted paper.

3. The outstanding liabilities consist of notes in circulation, amount as per No. 1, \$102,600 00
Deduct notes withdrawn from circulation, which I found in the bank and burned, 53,191 00

Leaving, \$50,409 00

Drafts on bank state of New York, 2,906 52
do Fulton bank of do 6,639 12
Certificates of deposit, 1,366 52
Due to banks, 477 04
And due to depositors, 2,584 49

Total, (as near as I can learn,) \$65,382 69

| | |
|--|----------|
| Of the notes there have been deposited, | \$782 00 |
| And of the drafts in bank state of New York, | 440 20 |

| | |
|---------|------------|
| In all, | \$1,222 20 |
|---------|------------|

4. The assets belonging to the bank, amount to about \$113,000, but all or almost all of so very doubtful a character, that I cannot yet undertake to classify them.

5. The first payment of capital stock is entered as \$20,000, but I cannot learn of what it consisted, though as there is at the same time a charge of \$10,000 made against the Farmers' and Mechanics' bank, of Detroit, I make no doubt that that amount of stock paid in, was either deposited with that bank or obtained through its means. On the 9th July, 1837, the capital stock was increased \$10,000, but it does not appear in what way. On the 9th Aug., 1837, there is entered a further increase of \$10,000, and at the same time a charge against H. H. Brown & Co., who, according to the books of the bank, are still indebted to the bank in that sum. The last increase to the stock is \$10,000, on the 25th July, 1838, when there was one charge made to the "bank state of New York, given on Howland, Troy, N. Y., \$5,000," and another to the Fulton bank, N. Y., given on Kingman & Co., \$5,000," which were probably received in payment of this increase. It would appear that these drafts were not paid, though they are not found among the assets of the bank.

6. None of the assets of the bank is yet in judgment.

I remain, respectfully,

Sir, your obedient servant,

EB. ANDERSON,
Receiver of the bank of Clinton.

—
Bank of Manchester.

Receiver's Office, 23d December, 1839.

To P. MOREY, Esq., Attorney General of Michigan:

SIR—In answer to your 1st interrogatory, I will state that the full amount of notes obtained from the engraver, was \$180,000; \$120,000 was ordered by Charles H. McClure, \$60,000 by Geo. Howe.

2. The largest amount ever in circulation at one time, was \$118,000; \$34,000 was loaned on discounted paper and receipts for exchange. I am unable to state on what conditions the balance was out, as no papers were shown for the amount when the possession of the bank came into my hands. I can only say that securities were obtained for the balance of the circulation.

3. The whole amount of outstanding liabilities are \$27,971 61; \$893 00 of the amount has been deposited in my hands as receiver.

4. The whole amount of assets belonging to the bank, are \$57,767 71; \$19,626 00, I consider doubtful, and bad, \$38,141 71.

5. There was paid in, in specie, as required by law, \$30,000. I have no knowledge of any specie being borrowed, and do not know but the whole of it was borrowed.

6. The amount under prosecution is something over \$4,000. We have omitted to prosecute our demands in a measure, for the reasons that the state of the times and the nature of the demands have better served the interest of the creditors of the bank, by negotiation of payment, than could be done by force collection; as the state of the times has driven nearly all debtors, in case of force collection, to some course of evasion and delay, we think the result will be far preferable to a prompt and immediate prosecution.

Very respectfully,

Your obedient servant,

JAMES H. FARGO, *Receiver.*

P. S. To the 5th interrogatory, I can only say that there was in bank \$4,278 57 in specie, \$2,000 in state stock, and draft on the Canal bank of Albany of \$8,000, making in all, \$14,278 57, which is the full sum remaining when I took possession of the bank, of the specie first paid in. For the state stock and draft, \$10,000 in specie was sold S. B. Knapp by A. G. Irwin then cashier of the bank. The balance of the \$30,000 first paid in I have never had any knowledge or explanation about it.

J. H. FARGO, *Receiver.*

Bank of Gibraltar.

Statement of the affairs of the bank of Gibraltar.

December 19, 1839.

| Resources | Liabilities |
|-------------------------------|--|
| Discounted bills, \$51,043 49 | Capital stock, \$100,000 00 |
| | Am't capital stock paid in, \$30,000 00 |
| | Due board int. im. 20,000 00 |
| | Personal property, 585 49 |
| | Circulation, 458 00 |
| <hr/> \$51,043 49 | <hr/> \$51,043 49 |

JOSHUA HOWARD, *President.*

Dearbornville, 20th Dec., 1839.

P. MOREY, *Esq., Attorney General, Michigan:*

SIR—Above you have a statement of the affairs of the bank of Gibraltar up to this date.

With great respect,

I am your obedient servant,

JOSHUA HOWARD, *President.*

Exchange Bank at Shiawassee.

To P. MOREY,

Attorney General of the State of Michigan:

SIR—In compliance with your request, of date Nov. 27, 1839, I herewith transmit to you such information as I am able to give upon the points named in the said request.

1. "The amount of notes obtained from the engraver, and by whom ordered." Amount of notes engraved, not known, but ordered by G. W. Clark, the cashier.

2. "The largest amount ever in circulation," &c. As no books of the bank have ever been kept, I have no means of knowing the largest amount ever in circulation at any one time, only by a statement drawn up by the president and cashier, which is now in the bank, and it is even impossible by that to ascertain the amount positively. By that statement, the whole amount of notes ever numbered and signed, was \$34,320 00, and the amount then in bank of its bills, \$14,174 00, but when I took possession of the bank there was but \$7,303 00 signed by the president and cashier both, and \$4,641 00 signed by the president only, which sum, I suppose, was reckoned in said statement, making in all \$12,059 00, which falls short of the amount stated in said statement \$2,115 00. The statement might have been correct at the time it was made, as the bank, for some time after the injunction was served, was in the hands of one of the directors. If the statement be correct as to the amount numbered and signed, (as I presume it is nearly) when I took possession of the bank, the whole amount out was \$22,261 00, which, I presume, was the largest amount ever out at any one time, most of which, I suppose, was out on exchange, but I have no means of knowing what part of it was out on exchange or loaned on discounted paper.

3. "State the amount of outstanding liabilities," &c. By said statement mentioned in answer to the above request, it appears that the amount of liabilities is \$22,261 00, and of this amount there has been deposited in my hands as receiver, \$5,288 00.

4. "The whole amount of assets belonging to the bank," &c. I know of no way that I can calculate the amount of assets belonging to the bank, only to give such information as I

am able with reference to that of which the assets consist. There was mortgaged about 1,760 acres of land to secure the payment of the debts of the bank, the title to about 1,500 of which appears now to be good. The title to about 260 acres of said land may be considered very doubtful. There are notes and receipts in the bank to the amount of about \$7,200 00, \$2,940 00 of which are given to individuals and not to the bank; some, however, of said receipts do not even run to any one, or to the bank. All the business of the bank was done in not only an imperfect but a ridiculous manner. In examining over all the notes and receipts, I do not see but one note (on which is due \$1,628 00) that is given to the bank, that can in any probability be collected, and only one receipt (on which is due but \$48 00) that can be collected. I therefore think that about \$1,676 00 of the notes and receipts can be collected, and that the remainder, \$5,540 00, cannot be collected, or at least by me as receiver of the bank. There is an iron safe belonging to the bank, worth probably fifteen or twenty dollars. I have given as correct a statement of the amount of the assets of the bank as I am now able to give.

5. "State, if you can, what amount of capital stock was paid in "bona fide," &c. I have no means of knowing any thing about it.

6. "Set forth what amount of the assets have been prosecuted," &c. I believe that there is in prosecution \$1,628 00, which I left with an attorney in Detroit for collection, but whether judgment has been obtained for the amount, or any part of it, I have not learned. No other judgments have been obtained. I have collected of the notes and receipts which were in the bank \$3,278 00.

I am fully persuaded that there are not many more of the notes of the bank that will ever be deposited with me as receiver. I have been informed that many of the notes have been burned or destroyed, in consequence of their being considered worth nothing, and it is undoubtedly the fact. There were some of the directors of the bank who absconded with several thousand dollars, bills of the bank, without giving their notes or receipts, or even any thing else to the bank for the amount.

I have been informed that an order was made by the court of chancery, in consideration of the fact above stated, which I communicated to said court in my report of date December 28, 1838, that no more of the bills of the bank should be received, unless upon special application to said court that the bills are "bona fide."

I am, therefore, led to conclude, that there is but a very small amount out, if any, that will ever be presented for deposit.

I can, therefore, myself, see no necessity of prolonging a

great length of time, the closing up of its affairs and releasing the mortgages executed to secure the payment of its debts.

It is of much importance to some of our farmers here, that the mortgages upon their lands are soon released.

I am, sir, most respectfully,

Your obedient servant,

ANDREW PARSONS,

Receiver of Exchange Bank at Shiawassee.

December 22, 1839.

—

Clinton Canal Bank.

Pontiac, December 9, 1839.

P. MOREY, Esq:

SIR—In answer to yours of the 27th ult., requesting a statement in regard to the bank under my charge, I beg leave to state,

1. From all the information I have been able to obtain, the amount of notes obtained from the engravers were \$132,000.

2. The largest amount ever put in circulation, as appears from the books, was \$39,175 00; loaned on discounted paper, \$22,293 05; no exchange account kept.

3. The books show the liabilities of the bank to be only \$67,711 30. I have received in bills and drafts, \$69,284 41.

4. The whole amount of assets of the bank are \$40,917 28, and I think there is not \$1,000 of the above assets that can be considered good and available.

5. It appears from the books that there was \$5,000 in specie paid in on subscribing for stock.

6. There has been prosecuted of the assets of the bank, \$32,869 27. I have obtained judgments to the amount of \$131 20.

Yours, respectfully,

S. BEACH,

Receiver of Clinton Canal Bank.

—

Farmers' Bank of Homer.

Marshall, December 9, 1839.

P. MOREY, Esq., Attorney General:

SIR—Your circular, under date of 27th inst., requesting a statement of the Farmers' bank of Homer, upon the points therein expressed, was this day received. In answer, I have to state,

To the first point: amount of notes received from the engravers,

\$186,000 00

Carried forward,

| | | |
|--|---------|----|
| Brought forward, | \$ | \$ |
| Ordered July 18, 1837, | 102,000 | 00 |
| By directors, August 23, 1837, | 84,000 | 00 |
| To the second point: I am unable to ascertain from the books or papers in my possession. The amount of bills executed as per emission register, is | | |
| | 70,500 | 00 |
| The amount not executed and in the hands of the engravers, as is supposed, I did not find them in the bank, and find no memorandum of them, is | | |
| | 115,500 | 00 |
| To the third point: the amount of outstanding liabilities, as per books, is | | |
| | 33,673 | 01 |
| Amount now deposited in my hands, | 4,154 | 25 |
| To the fourth point: the assets of all kinds, as far as ascertained, amount to | | |
| | 24,903 | 05 |
| In notes and accounts, good, | 5,736 | 79 |
| do do doubtful, | 9,838 | 17 |
| In notes payable in liabilities of bank of Homer, good, | 7,438 | 99 |
| do do do do do bad, | 455 | 10 |
| In receiver's receipts, doubtful, | 434 | 00 |
| In banking house and lot, estimated at | 1,000 | 00 |
| To the fifth point: I am unable to ascertain from the books of the bank. The stock paid after the first twenty per cent, required by statute, was done chiefly by checks of stockholders, and in April and June last, transferred by the then stockholders to the bank, and the amount paid thereon credited to each individual on the books, so as to balance accounts as far as it would go. | | |
| The whole number of shares was 2,000. | | |
| Amount thus transferred to the bank, | \$1,965 | 00 |
| Balance held by individuals, | 35 | 00 |
| To the sixth point: none of the assets have, as yet, been prosecuted by me. | | |

With much respect,

I remain your obedient servant,

JAMES S. SANDFORD.

Ann Arbor, December 12, 1839.

SIR—Your communication of the 27th ultimo requesting information in relation to the Farmers' bank of Sharon and the bank of Saline, I have received, and reply to as follows:

Farmers' Bank of Sharon.

1. The amount of notes obtained from the engraver is \$60,000, and were ordered by Daniel B. Brown, of this place.
2. The largest amount ever in circulation was about \$24,000,

of which, \$5,000 was out for exchange, and about \$19,000 on discounted paper.

3. The amount of outstanding liabilities is near \$19,000, of which, about \$10,000 have been deposited in my hands as receiver.

4. The whole amount of assets belonging to the bank is \$30,729 06, of which, about \$8,000 are deemed available—leaving some \$22,000 doubtful.

5. The capital paid in, \$15,000. The bank was not started upon a basis of specie certificates in whole or in part.

6. The amount of assets of the bank, on which I have obtained judgment, amount to between seventeen and eighteen thousand dollars.

Bank of Saline.

1. The amount of notes obtained from the engraver, is \$264,000, and were ordered by Lewis Godard.

2. The largest amount in circulation, excepting the issue of ten's and twenty's for special purpose and not designed, as I am informed, for circulation, is about \$70,000, of which, about \$30,000 are out for exchange purposes.

3. Of the outstanding liabilities don't know; have had deposited in my hands as receiver, about \$20,000.

4. The whole amount of assets belonging to the bank, is about \$84,000, of which amount, about \$30,000 are deemed available.

5. Don't know.

6. The principal amount of the assets of the bank is now in suit.

All which is respectfully submitted.

JOHN B. GITTEAU,
Receiver.

To P. MOREY, *Attorney General.*

Bank of Coldwater.

Coldwater, December 20, 1839.

Hon. P. MOREY, Attorney General:

SIR—The undersigned, receiver of the bank of Coldwater, in reply to your communication of November 27, would respectfully state, that according to his best information:

1. The whole amount of notes obtained from the engraver for said bank, was two hundred and fifty-eight thousand dollars, ordered by Lewis Godard.

2. The largest amount ever in circulation at one time, was about eighty-five thousand dollars. Of this amount, about forty-two thousand dollars were out for exchange, the balance

loaned on discounted paper, excepting sums necessary or used for the ordinary expenses of the bank.

3. The amount of outstanding liabilities, is near fifty thousand dollars, and the amount deposited with the undersigned as receiver, some twenty-five thousand dollars, not including sums received in payment of indebtedness to the bank.

4. The whole amount of assets belonging to the bank is eighty-four thousand dollars—the balance doubtful, but of this it is supposed a considerable portion can be collected.

5. The amount of specie paid in bona fide, is believed to have been near thirteen thousand dollars. There were two specie certificates, one made by H. H. Brown, for about thirteen thousand dollars, the other by the bank of Brest, for seven or eight thousand dollars. The certificates were paid into the bank by Lewis Godard, in behalf of the eastern stockholders generally, and in part for those in the county of Branch. In addition to those certificates, L. Godard brought on six thousand dollars in specie, which was paid in. The undersigned is informed, that it was agreed that the eastern stockholders should furnish all the specie for the first six months. He is not aware, whether all that was paid in was furnished by them.

6. The assets of the bank have been prosecuted generally, but the undersigned is not informed that judgments have yet been obtained on any. They came into his possession near the close of last March.

The above information is based on the report made by the undersigned in June last, and facts obtained from the officers of the bank, and is not supposed to be entirely and strictly correct.

The undersigned trusts the short time allowed him, will be a sufficient excuse for the want of minuteness of detail, the letter from yourself, having been received since the 15th of this month.

Very respectfully, yours,

E. A. WARNER.

Berrien County Bank.

Niles, Dec. 9, 1839.

Hon. P. MOREY, Attorney General:

DEAR SIR—I have just received your printed circular, post marked at Detroit, Dec. 5, and hasten to give it the earliest reply in my power.

1. I have no data in my possession, as receiver of the Berrien county bank, which will enable me to inform you as to the amount of notes obtained from the engraver, and by whom ordered.

2. The books of the bank afford no satisfactory information
[Sen. Doc.]

as to the largest amount of notes ever in circulation at one time. So far as I can learn from a book called the statement book, the circulation of the bank was, on the 1st of March, 1838, \$20,500; and on the first of May, A. D. 1838, \$14,560. There are no other statements recorded since that period. The ledger of the bank shows in the account with office notes on the credit side of that account, a balance on the 18th of May, A. D. 1838, of \$23,650. Whether that whole amount was in actual circulation at that period I cannot positively determine. H. Beach, Esq., the then cashier of the bank, died some time before I was appointed receiver. There are no entries in that account after that period, May 18th, 1838. Nothing further appears of a definite nature on the books of the bank in regard to the amount of its circulation; but I have reason to believe from what I have heard, that the greatest circulation of bills may have been at one time near \$25,000.

It appears from the statement book, that there was out on exchange, March 1st, 1838, \$1,750; on the first day of May, A. D. 1838, \$1,685; and from the exchange account on the ledger of the bank, that on the 24th day of June, 1838, at the time the operations of the bank were suspended by honorable Thomas Fitzgerald, bank commissioner, that the sum of \$9,616 was out on exchange.

The amount of bills discounted appears to have been on the first day of March, 1838, \$21,577 69; on the first day of May, 1838, \$31,826 88; on the first day of June, 1838, \$37,629 96; and about the time the bank was closed by the bank commissioner, as before stated, \$38,534 38.

3. The books and papers of the bank have been so imperfectly kept and are in such disorder, owing to its sudden suspension, the death of its cashier and other causes but imperfectly known to me at present, that I am at this time unable to state accurately the whole amount of its outstanding liabilities; but I suppose them to be exclusive of what it owes for its capital stock stated as paid in, \$15,000, somewhere about \$29,000.

There have been deposited in my hands as receiver, up to this date, claims to the amount of nineteen thousand six hundred and seventeen dollars and twenty-five cents, with the interest thereon.

4. The nominal assets of the bank, so far as can be judged from the imperfect state of its books and papers, are about \$35,000. Of these, I deem that not above eight thousand dollars can be considered good and available at some future day. About eight thousand dollars are considered very doubtful. The rest are deemed in all probability bad, although I cannot, owing to the disturbed state of the pecuniary affairs of the country, positively determine. I do not embrace in this estimate the real estate securities of the bank, whose value I cannot judge of.

5. I have no means of ascertaining what amount of the capital stock of the bank was paid in, bona fide, in specie as required by law. I am not informed whether the bank was started upon a basis of specie certificates, in whole or in part, or not. Among the papers of the bank I find the certificate of hon. E. N. Bridges, bank commissioner, dated January 27, 1838, stating "that the bank had exhibited to him, as the property of such association, the amount of specie required by law."

Among the discounted paper of the bank, I find notes to the amount of \$7,570 payable on demand, which I have reason to believe, are what are commonly termed stock notes.

6. The amount of the assets of the bank that have been prosecuted are about \$30,000, of which nearly six thousand dollars have been already reduced into judgment.

I have neither been able to collect or arrange a single dollar as yet; but have in every instance been compelled to put nearly all the notes and demands in suit.

I regret that it is out of my power to furnish you at present with precise replies to your queries; but I find it a slow, difficult and laborious work; which I have not yet accomplished, to bring the accounts of the bank into order, and to extricate them from the perplexed and somewhat confused state in which I found them, when I assumed the receivership in May last.

Yours, very respectfully,

VINCENT L. BRADFORD,
Receiver of the Berrien County Bank.

Bank of Niles.

Niles, December 9, 1839.

PETER MOREY, Esq.:

Sir—In answer to yours of 27th Nov., in regard to the affairs of the bank of Niles, I have to say, that so short a time has elapsed since my appointment as receiver, that I am not able to make full answers to your inquiries.

I herewith send you my answers so far as my present information will permit.

Answer to question 1. The amount of bills ordered and received was \$66,000. Ordered, I believe, by Wm. H. Adams.

2. The largest circulation the bank ever had, was \$39,534.

3. The amount of outstanding liabilities is about \$27,000, and assets about \$30,000. Amount already deposited with me, is about \$5,000.

4. Most of the assets are considered, eventually, good; but much time must elapse before they can be realized in money.

5. The capital stock, as I understand, was all paid in specie, no specie certificate ever having been used or counted as specie.

6. Amount in suit and in judgment, is about \$12,000.

Not expecting to make my report until February, I am not prepared to give as full answers as to amounts as might be desirable.

Yours, respectfully,

C. K. GREEN,
Receiver.

Lenawee County Bank.

Adrian, Dec. 13, 1839.

DEAR SIR—Your circular to me in relation to the affairs of the Lenawee county bank has been mislaid, and I shall consequently be unable to answer categorically your questions concerning the bank.

The books of the bank are very imperfect and do not show how many bills were originally ordered, nor how much specie was paid in as capital. It appears from the books that there never was more than \$198 in specie in the bank after it commenced operations.

The books show a circulation, or rather the issue of \$22,734 in notes during the time the bank was in operation, but does not show how much was issued on discounted paper, or how much for exchange. In fact there has been a much larger amount of their paper in circulation than the books show.

I have received in bills and certificates of deposit and drafts.

\$23,868 00

Of the above I have endorsed upon discounted paper, considered not good, the sum of

10,076 00

Leaving still on hand to be redeemed by me as receiver, the sum of

13,792 00

The discounted paper originally coming into my hands, together with the receipts for money, amounted to

33,700 00

not one of which I consider good.

As above stated, I have endorsed on the above

10,076 00

I do not hope to collect any thing on the paper I now have, except some receipts that I have given for notes and which they are attempting to buy up. I know that this is not a very satisfactory statement, but the books of the bank are so very imperfect that I am not able to make any better one.

Yours truly,

WM. L. GREENLY,
Receiver of Lenawee County Bank.

Bank of Kensington.

SIR—Your circular of the 27th ult. has just come to hand, and I herewith subjoin answers to your several interrogatories:

1. The amount of notes obtained from the engraver was \$110,000, and they were supposed to have been ordered by Beckford P. Hutchinson, one of the directors.

2. There is no means of ascertaining exactly the largest amount in circulation, but when it came into the hands of the receiver, the circulation was supposed to be \$55,725, which was the difference between the engraver's bill and the amount on hand; this circulation was all out for 'exchange,' except \$3,212, the amount due on discounted paper.

3. The amount of outstanding liabilities was supposed to be \$55,725, of which \$17,331 has been deposited in my hands as receiver.

4. The whole amount of assets belonging to the bank, was \$68,979 80, but little more than the discounted paper is considered good and available.

5. Probably less than \$1,000 of the capital stock was paid in, 'bona fide.' The principal basis of the bank was 'specie checks,' and 'stock notes' of the stockholders.

6. About \$21,150 of the assets have been prosecuted and the amount in judgment is about \$14,000.

I have the honor to be,

With much respect, &c.,

KINSLEY S. BINGHAM,
Receiver of Bank of Kensington.

Farmers' and Mechanics' Bank of Pontiac.

Pontiac, Dec. 16, 1839.

P. MOREY, Esq., *Attorney General of the State of Michigan:*

SIR—Yours of 27th November was duly received, and in conformity to your request therein contained, I herewith transmit to you the following statement in regard to the Farmers' and Mechanics' bank of Pontiac.

1. The bill of Rawdon, Wright & Hatch, engravers, shows that \$224,500 were ordered by G. W. Williams, and the following is a copy of the statement of said engravers as to whom the impressions were delivered:

| | | | |
|----------------|---------------------|--------------|-------------|
| 1837, Nov. 16, | To J. McReynolds, | 2,000 imprs. | 5, 5, 5, 10 |
| " " 22, | " A. Goodrich, | 1,000 " | " " |
| " Dec. 14, | " C. Hewitt, | 1,000 " | " " |
| 1838, Mar. 18, | " Jno. Norton, jr., | 4,000 " | " " |
| " " " " | " " " | 8,500 " | 1, 1, 2, 8 |

Of the above the officers of the bank acknowledge the receipt of only \$49,925.

2. It is impossible to ascertain from the books and records of the bank, with any degree of certainty, the largest amount in circulation at any one time. When the books were delivered to me, the amount in circulation, as near as could be ascertained, was \$16,880 00. There is no evidence that any of this amount was out for exchange.

3. The outstanding liabilities are as follows, to wit :

| | | |
|---|-------------|-------------------|
| Notes in circulation, as above stated, | \$16,880 00 | |
| Engravers' bill, | 1,238 75 | |
| Balances due individuals, as per books, | 6,798 03 | |
| | | <hr/> \$24,916 78 |

Of which the following are in my hands as receiver :

| | | |
|--------------------|------------|------------------|
| Notes of the bank, | \$8,435 00 | |
| Engravers' bill, | 1,238 75 | |
| | | <hr/> \$9,673 75 |

4. Assets—

| | | |
|---|-------------|-------------------|
| Balance due from individuals on accounts as appears from the books, | \$15,099 29 | |
| Discounted notes, | 9,005 66 | |
| Banking house, furniture, &c., estimated at | 292 00 | |
| Notes of broken banks, | 1,063 00 | |
| | | <hr/> \$25,459 95 |

Three-fourths of the above amounts of assets are at present considered doubtful.

5. The books show that ten per cent, on the whole stock was paid in in specie, at the organization of the bank; and I am informed, (but the books show nothing of the kind;) that John Norton, jr., was treasurer of the bank, and that he gave a certificate for twenty thousand dollars in specie, deposited in the state bank of Michigan, to the credit of said Farmers' and Mechanics' bank, but whether the same was bona fide the property of the Farmers' and Mechanics' bank, I know not.

It appears by the directors' books, that a meeting of said directors, held at the banking house on the 28th of Dec. 1837, a resolution was passed allowing each stockholder to check out 30 per cent, on his whole amount of stock to exchange on interest, and subject to the call of the bank, (and each stockholder undoubtedly availed himself of the privilege.)

6. Nearly all the notes and accounts in favor of the bank have been prosecuted, and the amount in judgment is \$2,613 53.

Many embarrassing circumstances have arisen in the progress of collecting the demands in favor of the bank, and some

time yet must elapse before judgments can be recovered on the suits now pending.

A demand for ten thousand dollars against Stewart, Sawyer & Co., of St. Joseph, makes a part of the assets of the bank, and considering the demand of little value, I took \$2,835 of the bills of said Farmers' and Mechanics' bank, and endorsed the same on the security against them, which sum is embraced in and makes part of the foregoing liabilities.

Which is respectfully submitted, by

WM. DRAPER,

Receiver of Farmers' and Mechanics' Bank of Pontiac.

N. B. There are other claims presented against the bank to a large amount, and some of them filed in set off in the pending actions. I find, also, an error in the books of the bank in the account of Dr. Williams, of \$2,000, which will reduce the assets by that amount. He also claims \$10,000 for his services as cashier. I have received in money little if any more than to meet my disbursements. Almost every species of defence is interposed to prevent my obtaining judgment in the actions commenced, and so much uncertainty exists, that no very satisfactory information can be now given. The judgments were of the present term, and will be enforced if possible. But no man who owes a debt owns any property in Oakland.

Bank of Brest.

P. MOREY, *Attorney General of the State of Michigan:*

Statement of the condition of the Bank of Brest, as appears by the books of same, and of statements made by bank, of Aug. 3, 1838.

| | |
|--|---------------|
| Amount of bills obtained from engravers, as appears in statement made by bank, dated Aug. 2, 1838, | \$246,000. 00 |
| The largest amount ever in circulation at one time, as appears by books of same, | 94,600 00 |
| Amount of bills out for exchange purposes, as appears by statement of bank, of Aug. 2, 1838, | 19,816 00 |
| Amount loaned on discounted paper, as appears by books of the bank, | 68,813 68 |
| Amount of outstanding liabilities, as appears by books of the bank, and including \$50,000 bank stock, | 168,911 50 |
| Amount deposited in hands of receiver, | 85,543 00 |
| Amount of assets belonging to bank, as appears by books of same, | 140,637 86 |
| Capital stock paid in, as appears by books of bank, | 50,000 00 |
| Amount of assets prosecuted, | 117,248 51 |

Amount of assets in judgment,

Drafts prosecuted, accepted by L. A. Spalding, for 3,000 00

The receiver cannot give any correct information as to the availability of the assets of the bank of Brest, but it is his opinion that they are all of a doubtful character.

All of which is respectfully submitted.

JOHN McREYNOLDS,

Receiver of Bank of Brest.

Detroit, December 17, 1839.

Bank of Allegan.

Kalamazoo, Dec. 16, 1839.

SIR—Yours, requiring of me answers to certain queries touching the bank of Allegan, did not reach me until to-day, and I hasten to answer them without delay,

1. The amount of notes obtained from the engraver was \$50,000, and were ordered by Alexander L. Ely, president of bank.

2. The largest amount ever issued was \$39,600.

3. The amount of outstanding liabilities, between \$34,000 and \$35,000, and the amount deposited with me as receiver, is \$8,266 69.

4. Assets of the bank, \$44,624 16; of this amount \$14,830 may be considered available, and \$29,394 16 doubtful; this does not include the bonds and mortgages filed with the auditor general, from which, *perhaps*, from 3 to \$4,000 may possibly be realized.

5. Not a dollar of specie was paid in of the capital stock. The bank was started upon the basis of a specie certificate, in whole, and the certificate was issued by the bank of Clinton, and paid into bank (as the receiver believes,) by David B. Stout.

6. The amount of assets in prosecution, \$26,134 13. No judgments yet matured.

Yours, &c.,

F. W. CURTENIUS,

Receiver Bank of Allegan.

Wayne County Bank.

Detroit, Dec. 30, 1839.

To PETER MOREY, Esq., Attorney General State of Michigan :

SIR—In compliance with the request contained in your communication of the 27th ult., I make the following report upon these points in the affairs of the Wayne county bank, touching which you have particularly solicited information. I have delayed answering your communication till now, hoping ere this

to have concluded an important arrangement, which has been a matter of much solicitude, and, if perfected, will greatly diminish the indebtedness of the bank. I refer to an arrangement for the purpose of recovering several thousand dollars illegitimately in circulation.

1. An amount of the circulation, notes signed and notes blank, shows the amount of \$101,000 to have been obtained from the engraver; and, as I have been informed by Cullen Brown, one of the directors, they were ordered by himself, H. A. Noyes and J. D. Davis.

2. From the books, I cannot with certainty ascertain the largest amount ever in circulation at one time; but from a comparison of accounts, I believe, that at one time, there was a circulation of not less than \$45,000, of which \$18,000 was out for exchange, and the balance of \$27,000 loaned on discounted paper.

3. The outstanding liabilities, in which I include only the circulation and such miscellaneous claims as have been deposited with me, amount to \$16,252 78; and of this sum, only \$4,432 78 have been deposited in my hands as receiver. There is an illegitimate circulation of about \$11,500 00, growing out of an exchange agency, which, or the quarter part of which, I still hope to recover. Deduct this, and the outstanding liabilities are reduced to about \$5,000. It must also be perceived, that the expenses incident to the settlement of the affairs of the bank, do not enter into the foregoing account of the liabilities.

4. The assets to meet the present liabilities I estimate at \$8,452 43, of which I believe not more than one-half can safely be considered good and collectable in the present embarrassed state of the country. These assets arise principally from discounted paper.

5. I have no means of ascertaining what amount of capital stock was *bona fide* paid in specie, as required by law. Upon this subject, as also upon the use of specie certificates, and the borrowing of specie to start the bank, I am altogether in the dark, the books and papers furnishing little or no information.

6. Of the assets of the bank, as estimated in my report to the chancellor, the amount of \$10,811 64 has been prosecuted, and of this amount the sum of \$7,147 99, has been brought to judgment in favor of the bank.

All the foregoing results I do not claim to be strictly accurate, and especially those which are arrived at by out-door testimony and a comparison of accounts, upon which the books throw but little light. I have no reasons, however, to believe that they vary far from the truth.

The apparent discrepancy between the above estimate of
[Sen. Doc.]

liabilities and resources, and that contained in my report to the chancellor, arises from my having in the meantime, under your advice and in the exercise of a sound discretion, received upon sundry demands due the bank, and my certificates as receiver, thus at the same time diminishing both the present resources and present liabilities.

Yours, respectfully,

A. W. BUEL,
Receiver Wayne Co. Bank.

Detroit, Jan. 8, 1840.

SIR—Since the making of my late report to you concerning some of the affairs of the Wayne county bank, I have been successful in recovering the sum of \$5,860 of the \$11,500 designated in said report as illegitimately in circulation, thus making a large diminution of the outstanding liabilities, without diminishing the resources. I shall be pleased if this note can find a place in your printed report to the legislature.

Yours, respectfully,

A. W. BUEL,
Receiver Wayne Co. Bank.

To P. MOREY, *Attorney General State of Michigan.*

Detroit City Bank.—In Chancery, First Circuit.

Kintzing Pritchette and Digby V. Bell,
Bank Commissioners,

vs.

The Detroit City Bank.

The following is a statement of the condition of the said Detroit city bank, furnished by said bank in pursuance of the stipulation entered into by the parties to this suit, on the twentieth day of December, in the year of our Lord one thousand eight hundred and thirty-nine, viz :

Assets of said bank.

The whole amount of discounted notes now on hand and belonging to said bank, all which are deemed good and collectable, is sixty thousand nine hundred and ten dollars and fifty-four cents, not including the interest due on said notes, \$60,910 54
Banking house, office attached to the bank room and repairs, valued at two hundred and ninety-eight dollars and four cents,

298 04.

The following articles of furniture: one iron safe, one clock, one pair scales and weights, two pairs counter and case, one large desk, one small desk,

Carried forward,

\$

Brought forward, \$
 one double desk and table, one dwelling attached
 to the bank building in Detroit, one stove and
 pipe, the value of the whole amounting by rea-
 sonable estimation, to eleven hundred and eigh-
 ty-one dollars and seventy-six cents, 1,181 76

The articles last mentioned are pledged by the Detroit city
 bank to the Michigan state bank, as security for a debt due
 from the former to the latter, hereafter mentioned.

Debts due from other banks to the Detroit city bank, viz:

| | |
|---|------------|
| From the bank of Niles on account, the sum of nineteen hun- dred and four dollars and seventy-one cents, | \$1,904 71 |
| From the bank of Battle Creek, on account, | 1,744 26 |
| “ “ Manchester, on account, | 817 53 |
| “ “ Saratoga county, N. Y., | 4 53 |
| “ Commercial bank of St. Joseph, | 2 00 |
| “ Clinton canal bank, due on the certifi- cate of the receiver, | 11,534 12 |

| | |
|--|-------------|
| Amount due from other banks, | \$16,007 25 |
| Amount of notes left with attorneys for collec- tion, | 2,258 90 |

Suspended debt, viz:

Amount due Detroit city bank on sundry bonds se-
cured by mortgages on real estate in the state of
Michigan, taken in sundry settlements, is

\$16,592 78

On certificate of bank of Singapore, 704 05

Balance due on note of S. Blanchard, and
others, 1,453 45

Balance due on note in hands of Mr. Pot-
ter, 79 41

Amount of certificates of sundry receivers
of safety fund or “wild cat” banks, 4,256 00

Two protested drafts due from the bank
of Saline, 2,049 56

| | |
|---------------------------|-----------|
| Amount of suspended debt, | 25,135 23 |
|---------------------------|-----------|

| | |
|---|----------|
| Amount of bank stock of the Detroit city bank, re- ceived in payment of debts, | 3,000 00 |
|---|----------|

Amount due on a bond executed to the Detroit city
bank, by David Paddock and W. S. Stevens,
which is secured by seventeen thousand dollars
in bills of the Clinton canal bank, for which the

Carried forward, \$

| | | |
|---|-----------|------------|
| Brought forward, | | \$ |
| city bank holds the certificate of the receiver of said Clinton canal bank; and by about three hundred acres of land, besides a large amount of "Fort Wayne stock," and sundry other securities, | | 13,757 33 |
| Over drafts due Detroit city bank, viz: | | |
| From H. M. Campbell, on account, | \$217 54 | |
| " T. C. Sheldon, " | 828 48 | |
| " E. Brooks, " | 1,712 51 | |
| Curran & Cosgrave, (secured,) | 659 75 | |
| Lewis Godard, (secured by attorney general's receipt for bills of the bank of Brest, \$5,700,) | 3,835 40 | |
| Sundry other persons, in small amounts, | 215 58 | |
| | <hr/> | 7,469 19 |
| Bills of other banks, &c., in hand: | | |
| In bills of the bank of Saline, | 23,509 00 | |
| " bank of Singapore, | 1,745 00 | |
| " bank of Washtenaw, | 953 00 | |
| Bills on special deposite, | 1,177 00 | |
| Bills of sundry other banks, | 361 00 | |
| Cash papers, | 4,650 12 | |
| Bank of Brest, | 1,133 00 | |
| Amount due on Mortgage from H. M. Campbell, | 2,500 00 | |
| | <hr/> | 36,028 12 |
| Whole amount of assets as above stated, owned by the Detroit city bank, December 20th, 1839, is one hundred and sixty-six thousand and forty dollars and thirty-six cents, not including the interest due on the above mentioned debts, | | 166,046 36 |

II. Statement of the creditors of the Detroit City Bank.

| | | |
|--|------------|-------------|
| Capital paid in by and due to stockholders, subject to the debts of the bank, | | \$60,000 00 |
| Amount of bills issued and unredeemed, (\$4,986 of the amount being pledged to Michigan state bank,) | | 11,300 00 |
| Profit due stockholders on profit and loss account, | | 5,584 97 |
| Due to other banks: | | |
| To the bank of Utica, on account, | \$19 29 | |
| do Clinton, do | 1 50 | |
| The Michigan state bank, | 1,238 19 | |
| The bank of Michigan, | 41 41 | |
| The Albany city bank, | \$5,000 00 | |
| | <hr/> | |
| Carried forward, | \$ | \$ |

| | | | | |
|------------------------|----|-----|-------|----|
| Brought forward, | \$ | 358 | 57 | \$ |
| Interest on this debt, | | | | |
| | | | 5,358 | 57 |

| | | | | | |
|--|--|--|--|--------|----|
| | | | | 7,658 | 90 |
| Drafts drawn on the Albany city bank, | | | | 26,555 | 50 |
| Amount held on deposit by Detroit city bank, | | | | 55,646 | 49 |

As to this last item, see the following statement for particulars.

The statement last referred to, contains an account of the deposits in the bank.

1. The names of depositors and persons having open accounts.

2. Their residences.

3. Amount due each in the *open account*; under which head are contained,

1st. Amounts due in safety fund bills,

2d. do country chartered bills,

3d. do cash.

4. Amounts due each by *certificate* issued by the bank; under which head are contained;

1st. Amounts due in country safety fund bills,

2d. do do chartered do

3d. do cash.

The results are as follows:

1. Aggregate amount due by open account in country safety fund bills, \$5,491 80

Aggregate amount due in country chartered bills, 1,360 45

do do in cash, 2,707 90

2. Aggregate amount due by certificate in country safety fund bills, 22,546 86

Aggregate amount due in chartered bills, 9,525 89

do do in cash, 983 94

\$42,596 84

The amount of bills engraved for the Detroit city bank and received by them, is \$202,000 00

The whole ever signed, is 39,200 00

Greatest amount ever in circulation at one time, 21,698 00

Amount in circulation Dec. 20th, 1839, (including the sum of \$4,986 00 hypothecated to the Michigan state bank, to secure two accommodation drafts,) \$11,300 00

The following is the form in which certificates of deposit have been uniformly issued by the Detroit city bank:

\$100 00. *Detroit City Bank, July 4, 1838.*

John Doe has deposited in this bank, one hundred dollars in country safety fund bills, (or in country chartered bills, as the

case happened to be,) to the credit of Richard Roe, payable in the same kind of funds, subject to his order hereon, and return of this certificate.

JOHN SMITH, *Teller.*

And the said bank has ever been and still is ready to pay such certificates in the kind of funds therein specified, except when payable in cash.

State of Michigan, Wayne County, ss.

Cullen Brown, of said county, being duly sworn, deposes and says, that he is the cashier of the Detroit city bank, that he has carefully examined the foregoing statement and compared the same with the books and vouchers of said bank, and that from such examination, and upon his own knowledge and from audible information derived from others, he verily believes said statement to be correct and true.

Sworn and subscribed before me, this 28th day of December, A. D. 1839.

THEO. WILLIAMS, *J. P., W. C., M.*

Schedule B.

Abstract of Reports of Prosecuting Attorneys, for the year 1839.

County of Monroe.

| | |
|--|----|
| For Larceny, | 16 |
| Conspiracy, | 6 |
| Counterfeiting, | 5 |
| Embezzlement, | 2 |
| Riot, | 3 |
| Adultery, | 1 |
| Keeping gaming house, | 4 |
| Assault and battery, | 10 |
| Coining, | 1 |
| Keeping disorderly house, | 4 |
| Destroying furniture, | 1 |
| Aiding criminal to escape from jail, | 1 |
| Suffering prisoner to escape, | 1 |
| Not paying over school money, | 1 |
| Aiding escape, | 1 |
| Escape from jail, | 1 |
| Forgery, | 1 |
| Abetting on horse racing, | 3 |
| Maiming animal, | 1 |
| Selling liquor without license, | 1 |
| “ on Sunday, | 1 |
| Number of indictments, | 61 |
| Thirteen trials, six acquitted and seven found guilty. | |

SENATE DOCUMENTS.

63

County of Branch.

| | |
|--------------------------------|-------|
| For passing counterfeit money, | 14 |
| Larceny, | 1 |
| Assault and battery, | 1 |
| | <hr/> |
| Number of indictments, | 16 |
| Two trials, both acquitted. | |

Shiawassee County.

| | |
|---------------------------------------|-------|
| For perjury, | 1 |
| Counterfeiting, | 1 |
| Making implements for counterfeiting, | 1 |
| Altering a public record, | 1 |
| Aiding escape, | 1 |
| | <hr/> |
| Number of indictments, | 5 |
| Examination on criminal charges, | 4 |
| One trial, jury disagreed. | |

Ingham County.

| | |
|-------------------------------|-------|
| For assault and battery, | 1 |
| Disturbing religious meeting, | 2 |
| | <hr/> |
| Number of indictments, | 3 |
| One removal from office, | |
| No trial. | |

Oakland County.

| | |
|-----------------------------------|-------|
| For assault and battery, | 9 |
| Rape, | 1 |
| Riot, | 1 |
| Larceny, | 3 |
| Perjury, | 2 |
| Passing counterfeit money, | 3 |
| Forgery, | 2 |
| Polygamy, | 1 |
| Fraud under general banking law, | 1 |
| Breaking jail, | 1 |
| Libel, | 1 |
| | <hr/> |
| Number of indictments, | 24 |
| Examination before a justice, | 15 |
| Fifteen trials, nine convictions. | |

Genesee County.

| | |
|--------------------------|---|
| For assault and battery, | 2 |
| House breaking, | 1 |
| Larceny, | 1 |

Fraud,

1

Number of indictments,
Number of examinations before justice,
No trials.

5

8

Kalamazoo County.

For selling spirituous liquors,

3

Assault,

1

Perjury,

1

Incest,

1

Larceny,

5

Burning hay stack,

1

Obtaining goods under false pretences,

1

Number of indictments,
Number of examinations before a justice,
Five trials, two convictions.

13

6

Jackson County.

For larceny,

4

Selling liquor without license,

4

Conspiracy,

2

Assisting to break jail,

2

Assault and battery,

2

Obtaining goods under false pretences,

1

Unlawful cohabitation,

8

Riotous assault,

1

Number of indictments,
Six trials and four convictions.

17

Lenawee County.

For perjury,

3

Mixing poison,

1

Assault,

1

Larceny,

16

Embezzlement,

1

Receiving stolen goods,

4

Destroying trees,

1

Buying stolen goods,

1

Misdemeanor,

2

Assault and battery,

1

Conspiracy,

2

Passing counterfeit money,

1

Number of indictments,

34

SENATE DOCUMENTS.

65

Recapitulation.

| | |
|---|----|
| For conspiracy, | 10 |
| Counterfeiting, | 6 |
| Embezzlement, | 8 |
| Riot, | 4 |
| Adultery, | 1 |
| Keeping gaming house, | 4 |
| Assault and battery, | 23 |
| Coining, | 1 |
| Disorderly house, | 4 |
| Destroying furniture, | 1 |
| Aiding to escape jail, | 1 |
| Suffering prisoner to escape, | 1 |
| Not paying over school money, | 1 |
| Aiding escape, | 1 |
| Escape from jail, | 2 |
| Forgery, | 3 |
| Abetting on horse racing, | 3 |
| Maiming animal, | 1 |
| Larceny, | 42 |
| Selling spirituous liquors without license, | 4 |
| do do do on Sunday, | 1 |
| Passing counterfeit money, | 18 |
| Making implements for counterfeiting, | 1 |
| Altering public record, | 1 |
| Disturbing religious meeting, | 2 |
| Rape, | 1 |
| Perjury, | 5 |
| Polygamy, | 1 |
| Fraud under general banking law, | 1 |
| Breaking jail, | 1 |
| Fraud, | 1 |
| Libel, | 1 |
| House breaking, | 1 |
| Assault, | 2 |
| Incest, | 1 |
| Burning hay stack, | 1 |
| Obtaining goods under false pretence, | 1 |
| Receiving stolen goods, | 4 |
| Mixing poison, | 1 |
| Destroying trees, | 1 |
| Buying stolen goods, | 1 |
| Misdemeanor, | 2 |

Total number of indictments in the counties where the prosecuting attorneys have made reports, 159

[No. 27.]

OFFICE OF STATE GEOLOGIST, }
Detroit, February 3, 1840. }*To the Hon. SPEAKER of the House of Representatives:*

SIR—I have the honor herewith to transmit to the hon. house of representatives, the third annual report and accompanying documents from this department.

I have the honor to be,

Sir, your obedient servant,

DOUGLASS HOUGHTON,
State Geologist.

To the Hon. the Senate and House of Representatives of Michigan:

I have the honor again to lay before you the progress which has been made in the geological survey of our state, together with the general condition of the department that has been placed under my charge.

I do not propose to enter into a minute detail of all that has been accomplished, for to lay before you *at this time* these undigested and unfinished details would seem to be in a measure unnecessary, from the fact that I am called upon at the close of the work to embody in a connected and uniform report, the complete results of all that may be accomplished.

Since the date of the last report which I had the honor to transmit to you, the geological and topographical portions of the work entrusted to my charge have progressed as rapidly and steadily towards completion, as the circumstances connected with the immense labor to be performed, would permit. These labors have extended over a large portion of the organized counties of the state, and of many of these the complete field notes for the surveys have been returned. The minute examinations of these counties has chiefly been assigned to the geological assistants, Messrs. Douglass and Hubbard, and their reports embracing a programme of their labors, for the season, are hereto appended. As these reports refer to many of those practical subjects which would be considered, were I to report upon my own labors in these counties, I have deemed it unnecessary at this time to refer particularly to the geology of this section of the state.

NORTHERN OR UPPPER PENINSULA.

General description and Topographical features.

In addition to the duties performed in the southern peninsula of our state, a portion of the season has been devoted to an

examination of the southern slope of that part of the upper or northern peninsula, extending from the Sault de Ste Marie, to the mouth of Monominee river of Green bay; a district of country, which with very few exceptions, is a perfect wilderness, but which, nevertheless, is deserving of all the labor which has been bestowed upon its examination.

A general description of that portion of the northern peninsula, lying between the foot of lake Superior and the mouth of Monominee river of Green bay, since the country is but little understood, may not be misplaced, though it had been my intention to avoid *at this time*, all details, except such as might be directly connected with the progress of the work under consideration.

The district of country alluded to, is, perhaps, more variable in its topographical features, in the composition of its soils, and the character of its timber, than any portion of equal extent of the southern peninsula, and cold and inhospitable as the climate has been wont to be considered by our citizens, there are many of the elements of competence and wealth contained in it.

The very extremity of the peninsula, embracing most of that country lying east of a line drawn from the Sault de Ste Marie, to the island of Mackinac, compared with the more westerly part of the upper peninsula, is either flat or slightly undulating, and it embraces marshy districts of large extent. Most of the coast is skirted by islands, giving great beauty to the scenery. The immense number of these islands, skirting the easterly portion of the coast, is beyond conception, for they form, as it were, an almost inextricable labyrinth, giving rise to narrow and intricate channels, and again widening into what may, with propriety, be called small lakes. This feature of the coast has served to render the published maps of this district more imperfect than those of any other portion of our state, for which reason, an unusual degree of labor has been devoted to a correction of these geographical inaccuracies.*

But in no portion of the country is this insular character so largely developed as in that arm of lake Huron, which forms, as it were, the embouchure of Ste Marie river. Here are literally hundreds of islands, varying in size from those composed of a mere point of rock, to those of many thousands of acres in superficial extent.

The soil and adaptation of these islands to the purposes of agriculture, is as variable as their size. Yet, while portions of them are adapted to use for agriculture, by far the larger proportion will scarcely admit of this application.

*In my labors to produce correct maps of this difficult section of country, invaluable assistance was rendered by Jas. L. Schoolcraft, Esq., whose intimate knowledge of the country, and minute observations, recorded through a series of years, have enabled me to reach a much greater degree of perfection than otherwise could have been done.

In the vicinity of Pte Detour of lake Huron, the country is flat, with ridges only slightly elevated, and with intervening marshes; but as we proceed westerly, it gradually becomes more elevated, until (a little east from the island of Mackinac,) it rises in abrupt hills to a height varying from one hundred and fifty, to three hundred feet, and these hills in the vicinity of the straits, approach near to the coast.

The range of hills, of which these outliers may be considered the commencement, continue in a somewhat broken chain, usually at no very great distance from the coast, as far west as Little bay du Noquet; from whence they bear north-westerly, stretching towards lake Superior. These hills usually form great undulations, with their sides sloping away gradually, but occasionally naked cliffs of limestone appear. Usually the cliffs are of no great altitude, and at no place did I observe them so largely exposed as upon the coast of Great and Little bay du Noquet, upon the easterly side of the former of which, they attain an altitude of from one hundred to one hundred and fifty feet.

The bays, just alluded to, forming as they do, deep indentations from the head of Green bay, give a peculiar feature to this part of the coast. They furnish a complete shelter for shipping, and being surrounded by a country which is mostly well adapted to agriculture, their importance of position cannot fail, eventually, to be appreciated.

The soil of the southern slope of the upper peninsula, passes almost imperceptibly, through all the shades of variety, from a whitish siliceous sand and sandy loam, (not unfrequently mixed with gravelly limestone,) to that composed wholly of pebbles of limestone. Clay soil is exceedingly rare, and when it does occur, contains a very large proportion of lime in its composition.

The timber of this district has all the variety which would be looked for on soils of so changeable a character. It varies from the scrubby pines which characterize the pine barrens, to beautifully timbered tracts of sugar maple; the latter timber having almost invariably interspersed with it white cedar and spruce, these latter, together with birch, in fact, forming the larger proportion. White pine occasionally occurs, though more frequently in the westerly than in the easterly portion of the country alluded to. As a whole, the western portion is much more favorable to agriculture than the eastern.

The upper portion of the peninsula being of no great width, furnishes but few streams of any considerable size. Among these, the Monominee, Monistique and Menecockien rivers are more particularly deserving of notice. The two former, from their greater size, together with the peculiar advantages which exist at their points of embouchure, will only be considered.

The Monistique river, which enters lake Michigan near its north-westerly angle. at a distance of about thirty-five miles north-easterly from Pte Detour of Green bay, has its place of embouchure in a small bay, that serves to afford a partial protection from the heavy surf of the lake. The stream, at its immediate mouth, has a width of a hundred and twenty feet; but this width is subject to considerable variation in consequence of the sands which are subject to drifting, from the effect of the currents of the lake and river. Ascending the stream but a few rods, it suddenly expands into a beautiful sheet of water, giving rise to a small lake, that has a length somewhat exceeding half a mile, and a width varying from one-fourth to one-third of a mile. This small lake, which furnishes a safe and convenient harbor for vessels, is surrounded by moderately elevated and undulating sandy plains, sustaining a sparse growth of small yellow pines. The channel of the stream will admit the entrance of vessels drawing from seven to seven and a half feet of water. Monistique river enters this small lake at its northerly end, and has here a "rapid" over limestone *in place*, which will furnish a fine hydraulic power, so situated that it may be nearly approached by vessels, and which cannot fail eventually to be of vast importance in advancing the settlement of the surrounding country.

The Monistique river has its source in the highlands north-easterly from its mouth, and its sources interlock with the head waters of the Tonquoimenon river of lake Superior. In its course to lake Michigan, it frequently expands into small and beautiful lakes. It passes through a country, a large portion of which is well adapted to the purposes of agriculture; and which, at those points where the soil has been cultivated by the Indians, produces abundant crops of corn, potatoes, &c.

Monominee river of Green bay, one portion of the defined boundary between our own state and Wisconsin, is a much larger stream than that just alluded to. Its embouchure into Green bay is by a broad mouth, that may, in fact, be regarded as a narrow lake, which has a width varying from forty to one hundred rods, and a length somewhat exceeding one and a half miles. The shores, at the immediate mouth of the stream, are flat and marshy, with narrow ridges of sand, but at a distance somewhat more than half a mile above, they begin gradually to rise, until they finally attain an elevation of from ten to twelve feet above the water of the river.

At a distance of somewhat more than one and a half miles from its mouth, the stream, which is here much diminished in width, forms a "rapid" over a ledge of limerock, having a fall of ten to twelve feet in a distance which may be estimated at half a mile, thus giving rise to an amount of hydraulic power, which, at this point, cannot fail to be of great value.

Above these rapids, the river, for a distance of twenty-five miles, has a width varying from two hundred and fifty to four hundred feet. The bottom is chiefly composed of gravel, but there are occasional rapids over limerock *in place*.

The soil in the vicinity of the mouth of the stream, is chiefly composed of a dark colored sand, or sandy loam, largely impregnated with lime, and it produces good crops of wheat, barley, rye, oats, potatoes and corn. The extensive Indian fields, now mostly uncultivated, show this to have been the residence of a numerous band of Indians, and that they must have depended largely on the products of the soil for subsistence. The miserable remnants that remain of these original proprietors of the soil, have almost completely abandoned its cultivation, having placed their dependence for subsistence, through most of the season, upon the fish which are taken abundantly in the stream.

Upon the Wisconsin side of the Monominee river, two saw mills have been erected, one of which has been in operation for several years, and two or three families of whites are resident there. Extensive fields have been put under cultivation and have not failed to yield an abundant return of crops.

The bar at the mouth of the Monominee river may be passed at ordinary stages of water, by vessels drawing from seven to eight feet, and after this bar be passed, the largest class of vessels may ascend nearly to the rapids before mentioned.

The many advantages existing at the mouth of this stream, taken in connection with the pine timber that occasionally skirts its upper portions, cannot fail eventually to render its mouth a place of much importance.

Most of the smaller streams occurring between Monominee river and Mackinac, have brisk currents and furnish abundance of hydraulic power, but with one exception this is, as yet, unapplied. A saw mill has been erected on the Esconnauby river of Little bay du Noquet, and here are the only signs of civilization between the points mentioned, being an extent of more than two hundred and fifty miles of coast.

In laying before you this hasty outline of a portion of the upper peninsula of our state, I cannot refrain alluding to the immense wealth that may be made to flow from the fisheries by which it is surrounded.

The inducement offered by this branch of industry for a handsome return of profit must, I feel assured, eventuate in the direction of a large amount of capital to this business, and will no doubt exert a powerful influence upon the settlement of the more favored portion of the coast. It is well known that while the waters of the whole line of coast alluded to, furnish white fish and trout more or less abundantly, there are, nevertheless,

many points which, from their peculiarly favorable location, yield a more abundant return.

A portion of that coast, lying between point Seul Choix of lake Michigan, and Little bay du Noquet of Green bay, offers many exceedingly advantageous situations for conducting this branch of enterprise, and "these ground" appear to have been wholly neglected, or at least none of the usual evidences of its having been appropriated to this purpose, exist.

In connection with this important branch of industry, which has for the last few years been so steadily, yet imperceptibly increasing, extending as it does around the areas of both of our peninsulas, it may not be misplaced to call your attention to the immense importance which it must eventually hold in our state. As yet, all knowledge of its returns depends upon vague rumors, for no accurate data of its value or extent have as yet been made. The census to be taken during the current year offers a favorable opportunity, if the proper measures be taken to obtain all the statistics which may be required on this subject, and these statistics, if obtained, may be the means of enabling the state hereafter to extend to this branch of industry the fostering care which its importance deserves.

GENERAL GEOLOGY OF THE SOUTH AND SOUTH-EASTERLY PART OF THE UPPER PENINSULA.

The rocks of the district of country under consideration are but little varied; the separate portions, occupying, for the most part, an extensive range, and in chemical and mechanical composition, bearing a close analogy to each other. They chiefly consist of a series of well defined limestones and shales, that occupy the complete range from Drummond's island, of lake Huron, to Monominee river of Green bay.

These limestones and shales are less perfectly developed in their easterly prolongation; or in other words, the separate portions of the formations thin out as they approach the primary region of the Ste Marie river. As we proceed towards the northern declivity of the upper peninsula, the red sandstone of lake Superior, makes its appearance, underlaying the groups of limestones and shales before mentioned.

These sandstones together with the series of overlaying limestones and shales, are bounded on the east by a range of hills composed of primary rocks, chiefly of quartz, hornblende and greenstone. The boundary between the primary and sedimentary rocks, is very nearly defined by the course of the Ste Marie river, which stream, through nearly its whole course passes very near to, or directly along the line of junction of these rocks. Thus it will readily be perceived, while the limestones, shales and sandstone fall mostly within the United

States, the primary rocks are chiefly embraced within the British possessions.

PRIMARY ROCKS.

It has already been stated that the development of the series of primary rocks, falls chiefly easterly and north-westerly without the region of country under consideration; for which reason such allusion only will be made to them as will aid in more clearly understanding these rocks embraced within our own territory.

Commencing with the main land at the first, or lower point of contraction in the Montreal channel of the Ste Marie river, (which contraction is formed by the near approach of the island of St. Joseph, to the main land, and is the lowest point at which any observations were made,) these primary rocks stretch in a westerly direction across the northern part of the island just mentioned; when, curving northerly, they appear on the south-easterly end of Sugar island, from which point they pass to the main land, north, and skirt the easterly side of Great lake George, forming here a somewhat elevated range of hills. This range of hills, after reaching the head of lake George, pursues a westerly course, departing from the river, until it reaches Gros Cap of lake Superior.

The immense primary region of which the line described may be considered, as it were, a single point, stretches nearly continuously many hundred miles north-westerly, skirting a portion of the shores of lake Superior, and in conjunction with the trap rocks constituting the highlands between that lake and lake of the Woods. From these highlands it stretches a little east of lake Winnipeg, far to the northwest, finally constituting the immense "barren grounds" of the British possessions. It is also well known that this range of primary rocks stretches in an easterly direction through the interior of the upper province of Canada.

The primary region of the Ste Marie river and its vicinity is characterized by the occurrence of rounded knobs and hills, usually of no very great height, though sometimes attaining an altitude of several hundred feet, frequently including basins which usually contain more or less water, thus giving rise to a multitude of marshes, ponds, and more rarely to small lakes. Portions of the rocky surface are absolutely destitute of soil, the otherwise bare rock being usually more or less covered with a variety of lichens, among which the reindeer moss, (*Cenomyce rangeferina*,) most largely abounds. The soil occurring in the lower portions of the basins intervening between the knobs of rock, is sometimes composed of vegetable matter mixed with siliceous sand and gravel, washed from the higher levels; while that upon the hills is more usually made up of a

coarse, siliceous sand, arising from the disintegration of the rocks, and is of a very unproductive character. These soils are covered more or less densely with a forest, in which ever-green timber largely predominates.

This primary district, as a whole, is of a most forbidding character, and in it the agriculturist would find little of interest; for the constant succession of bare rocks and barren soils, form a striking contrast with the country of transition rocks lying south of it.

At that point in the Montreal channel before alluded to, the first perceptible current was noticed, and this may, therefore, in reality, be considered as the termination of this arm of lake Huron, as well as the commencement of Ste Marie river. The stream is here divided by a great number of islands, and these islands continue to form an almost inextricable labyrinth for a distance of many miles.

On the main land at these "narrows," and extending for several miles, the knobs are composed of compact greenstone, occasionally partaking of a sub-slaty character, and under which circumstances, the rock bears a close analogy to some of the varieties of primary argillite.

Minerals are of rare occurrence in this greenstone. Occasional minute crystals of quartz, feldspar, imperfect asbestos, with some indistinct traces of carbonate of copper, were only observed.

In ascending the river, this greenstone was observed to pass, by almost insensible degrees, into a well defined hornblende rock, which was noticed to form low hills upon the main land, as well as several of the islands in the stream.

On the northern part of the island of St. Joseph, a fraction of the south-eastern part of Sugar island, and a portion of the main land on the east, the place of the hornblende rock is supplied by granular quartz rock, usually white, but sometimes passing to a reddish or deep red color. In character, it varies from a sub-crystalline rock, translucent at the edges and breaking with a conchoidal fracture, to a granular or almost conglomerate quartz rock. Small quantities of hematitic iron ore, and rarely micaceous oxide of iron, were the only simple minerals noticed associated with this rock.

In the range of hills bounding the easterly side of Great lake George, talcose slate was observed, but to what extent it exists, I am unable to say.

The only district occupied by this primary range, within the line of boundary between our own territory and that of Great Britain, is that before mentioned, upon the south-easterly part of Sugar island. The rock is, here, a light colored, granular quartz, and it occurs, forming a few low knobs, that occupy but a very small extent of surface, and that at the very ex-

tremity of the island. For the most part, it is hidden from view by detrital matter mingled with large angular blocks of quartz rock, and nearly the whole tract is clothed with a dense growth of timber.

SEDIMENTARY ROCKS.

The district of country stretching westerly and southerly from the primary tract alluded to, is characterized by the occurrence of the red sandstone of lake Superior, on the north, and the series of overlaying limestone and shales, heretofore mentioned, on the south. The contrast, in general contour, between this and the primary region, is, in all respects, characteristic of the different formations. Thus, while the predominant feature of the primary region is that of a rugged, knobby, and for the most part, barren country, the district south and south-westerly from it, rises in gradual swells or undulations, covered with a heavy growth of forest trees, and possessing many tracts of soil which are inviting to the agriculturist.

Lake Superior Sandstone.

Although but a small angle of that country, which is referable to the red sandstone formation has been examined during the past season, yet in order to a better understanding of its range and extent, it may not be misplaced to refer to the fact that a large portion of the northern slope of the upper peninsula, is referable to this rock formation. Its continuity upon the southerly shore of lake Superior, being only broken by the occurrence of a comparatively limited range of primary and trap rocks.

This lake Superior sandstone, in its easterly prolongation, rests against and upon the primary range of the Ste Marie river, before described, while on the south, it is seen to pass beneath the limestone at the Nebeesh rapids of the boat and canoe channels of that river. The rapids or falls of Ste Marie river are formed by the passage of the waters over the outcropping edge of the sand rock, which inclines or dips from this point southerly; thus passing *conformably* below the limestone before alluded to.

No cliffs of sandrock occur in the immediate vicinity of the Ste Marie river, nor was it noticed, at any point, to rise many feet above the surface of the water. In fact, no opportunity offered for a satisfactory examination of the rock except in the vicinity of the Sault, at which point, a "race" for conducting the waters to a saw mill, has been excavated, in part, through it. The rock, here, varies from a light gray to a brick red color, not unfrequently being gray, with red or reddish spots, and in structure it varies from a compact sandstone, occurring in layers of several inches thickness, to that of a shelly or sub-slaty character. Through this sandrock, a large por-

tion of the contemplated canal around the falls must be excavated, and occurring, as the rock does, in strata of no great thickness, but little difficulty will be encountered in the excavation, and the work, when once completed, will be of a permanent character.

This sandrock, as a material for the structure of works exposed to the action of the elements, is of an inferior quality, and will without doubt, undergo more or less rapid disintegration, when exposed to the conjoined action of moisture and frost. As a material for the construction of ordinary walls, it will answer a good purpose.

I allude to this subject the more particularly, at this time, for the reason that a great amount of rock, of a suitable shape for the construction of the walls of the locks required for the Ste Marie canal, will be thrown out during the process of excavation, and which may appear to be an inducement for its use in that work. In a climate like that of the Sault de Ste Marie, this error should be carefully avoided; for if the sandrock be used for that purpose, but few years will elapse before the locks will require reconstruction. An example, illustrative of the effect of moisture and frost upon a rock of similar composition, is exhibited on the Erie canal, of New York, in the old aqueduct over Genesee river, and in several of the locks upon that great work. During the few years which have elapsed since the construction of these structures, the disintegrating action of the causes alluded to, has been rapidly at work, and some of those expensive structures are in so precarious a condition as already to require reconstruction.

In the immediate vicinity of the surveyed line of the Ste Marie canal, transported masses of granite, hornblende, sienite and quartz rocks abound, and they may be economically employed for the construction of the proposed locks and will make an enduring structure.

The lake Superior sandstone, in its easterly prolongation, does not attain a very great thickness, but in proceeding westerly this thickness is vastly increased, attaining on the south shore of lake Superior to several hundred feet.

So far as my examinations, during the past year have extended, the rock is destitute of fossils, and in fact after a careful examination, (several years ago,) along its whole line of outcrop, on the southerly shore of lake Superior, I have never been able to detect in the rock a single contained fossil.

Limerock and Shales.

Passing from the sandstone of lake Superior to, or near to the southerly slope of the upper peninsula, we come upon a series of limestones and shales, resting upon and concealing the former rock. These limestones and shales along the whole

line of coast, from Drummond's island of lake Huron to Monominee river of Green bay, have a slight inclination to the south, or more nearly to the south south-east. Thus while these rocks dip, in such a manner as to form the basins of lakes Huron and Michigan, their upraised edges form, as it were, the barrier that sustains the waters of lake Superior at their present level.

The Nebeesh rapids of the Ste Marie river, at least in the two westerly channels, is in part over the very lower portion of these limestones, and by far the larger portion of the small streams along the coast, intervening between Pte Detour of lake Huron, and Monominee river of Green bay, have a more or less rapid descent over some portion of the limestone series, usually at points not very far from their place of embouchure.

The limestones and shales will, in the following descriptions, be separated into two groups, reference being had to their constant embraced fossils and chemical character. The immediate line of junction between these groups is usually not particularly distinct, but in the main they are readily distinguished by the most hasty glance.

Lower Limerock and Shales.

Without, at this time, attaching to that portion of the limerock series that immediately overlies and rests upon the red sandstone of lake Superior, any characteristic name, the rocks as a whole, will be considered simply with reference to the position they occupy in relation to the overlaying and more southerly limerocks; nor will the several beds into which the group may be divided be considered separately.

The lower limerocks and shales in the district of country under consideration, occupy a comparatively small portion of the district, and do not appear upon the coast except at very few and distant points. The complete group may be described as a series of compact and shaly limestones, with interstratified, argillaceous, blue colored shales; the shales, more particularly in the western prolongation, forming a large portion of the whole mass. The group is more or less fossiliferous through its whole range, being characterized by the presence of several species of the genera, *Orthis*, *Atrypa*, *Delthyris*, and *Strophomena*, and more rarely by *Calymene*, *Asaphus* and *Encrinus*. In the western prolongation of these lower limestones and shales, as has before been mentioned with respect to the lake Superior sandstone, the thickness becomes very much increased; while in their near approach to the primary of the Ste Marie river, on the east they thin out and nearly disappear.

The lower portion of a range of hills stretching along parallel to and not far distant from the southerly side of Little bay.

du Noquet, in consequence of their somewhat abrupt termination at the bay mentioned, expose a series of rocky cliffs of exceeding interest. The immediate line of this coast is bounded in part by perpendicular or overhanging cliffs, not usually having an elevation of more than thirty to forty feet. The rocks of these cliffs are referable to the lower group of limestone and shales, while the hills rising abruptly immediately inland are capped by the overlaying or upper limestones. The cliffs immediately bounding the bay are made up of a series of argillaceous limestones in thin strata, with intervening soft argillaceous slate of a blue color; this slate constituting by far the larger proportion of the cliffs. These shales which are rapidly disintegrated by the action of moisture and frost, have been thrown down, and swept away by the waters below, while the harder and more compact strata of limestone having resisted the action of these causes, are left in projecting and overhanging cliffs. Some portions of the layers or strata of limestone are almost wholly composed of congeries of fossils, of the genera before mentioned, while in others, no fossils have been detected. The same remarks respecting the fossils may also apply to the slaty portions of the group.

Between Little bay du Noquet and Drummond's island, the lower group was not noticed *upon the coast*, but in ascending the Ste Marie river, it was seen at the Nebeesh rapids, Sailor's encampment island, and also on the easterly end of the island of St. Joseph. Nearly, if not the whole of the more elevated parts of the island last mentioned, are composed of the *upper lime-rock*.

In pursuing the course of out-crop of the lower group, from the Nebeesh rapids, where after thinning out, as has been before stated, it is seen in the bed of the river resting immediately upon the sandstone; it stretches in an easterly direction across great Sailor's encampment island, and the boat channel, and still further easterly it no doubt comes in direct contact with the primary rocks of the southerly part of Sugar island, as well as those of the northerly part of St. Joseph island. After leaving little Sailor's encampment island, this rock disappears beneath the highlands of the St. Joseph, but again re-appears in close proximity to the primary, on the eastern side of that island, about five miles below Bears' encampment island, of the Montreal channel. The rock, as observed at these points, is not only reduced very much in thickness, but has also lost nearly the whole of its associated shales.

At Sailor's encampment island, where the rock scarcely rises above the water, it has the character of a calcareous sandstone, with comparatively few fossils; while on the easterly part of St. Joseph, where it rises to a height of about five feet above the water, it takes the character of a flaggy bitumi-

nous limestone, of a dark brown color, and is composed almost entirely of a mass of those fossils which characterize the formation.

Upper Limerocks.

Upon the group of lower limestone and shale, and differing from it not only in continued fossils, but also in physical character, rests a series of limerocks, extending from the Manitoulin islands of lake Huron, to, and including the southerly cape of Green bay. A strict consideration of the subject connected with this extended group of rocks, would perhaps call for a division of the mass into three parts, viz: the lower, or Pentamerus portion; the middle, or Polypyferus portion, and the upper, or Mackinac and Manitoulin portion. But for all the purposes of the present report, it is sufficient to consider these separate rocks as a single group.

The most casual observer of the maps representing the northern and eastern parts of lake Huron, can scarcely fail to notice the immense numbers of islands that are there represented. The larger of these, and in fact nearly the whole of them, are composed of limerocks, referable to the group under consideration.

Commencing with that group of islands known as the Manitoulin chain, of which Drummond's island may be considered the termination westwardly, the upper limestone is observed to pass to the main land, forming the bed of the lake in the intermediate space, and to appear at intervals upon the coast, as we proceed westwardly. The upper portions of the rock form the base of that group of islands, east from Mackinac, known as the Cheneaux, as well as the island of Mackinac and the range of hills extending westward on the main land, commencing with the bare point of rock, known as the Sitting rabbit.

The middle and lower portions of the group appear at many points along the coast, forming the head of lake Michigan, as well as the Great bay du Noquet, and also cap the hills upon the easterly side of Little bay du Noquet of Green bay. They also give rise to the islands at the entrance of the bay last mentioned, and compose at least the whole upper part of the elevated cliffs forming the southern boundary of that bay.

It will thus be observed, that the line of bearing of the upper group of limerocks is very nearly east and west, while the general inclination, as has been before stated, is south, or perhaps more nearly south south-east. The inclination of the whole of the rocks described being southerly, offers a sufficient explanation for the fact, that in proceeding northerly from the coast, we soon pass from the upper to the lower limestone and shales, and by continuing still farther north, we come upon the red sandstone of lake Superior.

Drummond's island, the only island of the Manitoulin chain that falls within the territory of the United States, is composed of the lower and middle portions of the upper limestones, and the characters which are applicable to it here will sufficiently characterize it through its whole range.

At Collier's harbor, (the site of the old British fort,) near the western extremity of the island, the lower portion of this series is seen to form the bed of the lake. The rock rises almost imperceptibly to the surface, forming the immediate shores of the small bay mentioned. The rock, which here rises only a few feet above the water, is exceedingly compact, of a light brown color and sub-granular struction, and is nearly destitute of fossils. Its surface is indented with numerous small and somewhat regular spherical cavities, which give to it a very singular appearance.

After leaving Collier's harbor, the rock is concealed by detrital matter until we reach the central and elevated part of the island, where the rock belonging to the middle portion of the group and overlaying that before noticed, appears. This rock differs widely in appearance and composition from that at Collier's harbor. It has a coarse granular or sub-chrystalline structure, and is of a light buff color, which at times approaches nearly to whiteness. The rock is usually compact, though it sometimes partakes of a slatiness of structure.

This last rock constitutes the range of hills stretching in an easterly and westerly direction across, and forming the elevated portions of the island, attaining an elevation varying from eighty to one hundred and twenty feet.

The middle rock of the group is here characterized by the abundance of its contained fossils, chiefly *Polyparia*, which also mark its complete range westerly. The most abundant of these, embrace several species of the genera *Calamopora*, *Catenipora*, *Syringopora*, *Aulopora* and *Strombodes*, together with several species of *Orthocera*. This limerock appears at intervals upon the coast, in the direction of Mackinac, but always at a very low level.

The rock which constitutes the island of Mackinac, as well as the range of hills stretching in a westerly direction, on the main land, belongs to the upper portion of the group, and since it was more particularly noticed in the second annual report from this department, will be passed by with this simple notice.

Westwardly from the straits of Mackinac, this upper portion of the limestone continues to cap the hills, while the middle and lower portions of the same group appear at short intervals upon the coast along the northern end of lake Michigan to point Detour and Great bay du Noquet of Green bay, along the easterly side of which bay they form abrupt and perpendicular cliffs, varying from forty to one-hundred and twenty feet

in height. The lower rock of the series, as has been before stated, caps the elevated hills on the easterly side of Little bay du Noquet.

Economical Geology of the upper and lower limestones and shales.

The two groups of limerock under consideration, may be made to furnish an abundance of material, admirably adapted for use as a building stone, and also for the manufacture of quick lime.

On the eastern part of Drummond's island, the elevated range of hills which traverse that island, terminate abruptly in a series of cliffs elevated from one hundred to one hundred and twenty feet. Portions of the limerock forming these cliffs are admirably adapted for use as a building stone, as well as for the manufacture of lime; and from the fact that vessels may approach almost directly to the coast, and load with safety, its value is much enhanced. Near by, and in fact, almost in contact with the rock, is a small perfectly "land locked" harbor, that has been rendered secure from storms by a narrow "spit" of gravel, which is covered with forest trees.

The cliffs at this point of Drummond island, are made up of a series of strata, as follows, *in ascending order*:

1. A brownish, light colored limestone, of extreme fineness, and separating into layers, varying from one to four or five inches in thickness; well adapted for use as a flagging stone, and for the manufacture of lime. Rises to a height of about twelve feet above the water.

2. Resting upon this flaggy limestone is a compact, light buff colored, granular, occasionally sub-siliceous limestone. It separates into layers, having a thickness of from five to six feet, and blocks may be obtained of almost any required size. This rock occupies about sixty feet in height in the bank, and is so situated as to admit of being quarried with the utmost facility. As a material for building, it is of superior quality, being well calculated to resist the action of disintegrating agents, and when the thickness of the separate strata, with the ease with which the rock may be quarried, together with its peculiarly advantageous situation, are considered, I trust the great value of this quarry may be appreciated.

3. Above, and resting upon the granular rock just described, is a fine grained, light colored, compact limestone, occupying about twenty feet of the hill side, above which the rock was so covered with detrital matter as to prevent observation. This limestone is of a somewhat flaggy structure, and, unfortunately for its application as a building material, it separates into irregular masses; were it upon the ground where required for use, it would answer tolerably as a rough building stone,

but will scarcely bear transportation for that purpose; it may, however, be advantageously used for the manufacture of lime.

Limestone of good quality may be quarried with facility at many points on Drummond's island, and I may safely venture the opinion, that at no very distant day, the limestones of this island will obtain the celebrity they so justly deserve.

From Drummond's island to Mackinac, the great mass of limerock upon the immediate coast, lies below the level of the water, and of necessity does not admit of being quarried; but at a few points, quarries may be opened to a limited extent.

The rocks of Mackinac, and the vicinity, were described in a former report. These upper rocks possess less compactness than those lying below, and in consequence of their vesiculated structure, are more subject to disintegration; and added to this, the shattered condition of that on the island of Mackinac, will prevent its extensive use for permanent structures.

Limestone of better quality belonging to the same place in the group is found on Round island and also upon the main land in the vicinity of Pte St. Ignace.

From the straits of Mackinac to Pte Detour of Green bay, limestone may be very advantageously quarried at many points upon the immediate coast. A low cliff of granular, siliceous limerock, attaining an elevation of some twelve to fifteen feet above the water, occurs on the westerly side of Pte Seul Choix, and offers an advantageous situation for obtaining an excellent building stone, in thick strata, at little cost. This rock belongs to the middle portion of the upper group.

Limerock, well adapted for use as a building stone, or for the manufacture of lime, may be quarried in a limited quantity, at the head of the small lake through which the Monistique river, makes its embouchure into lake Michigan. Although not of very great extent, it will prove of much value at this particular point.

In the vicinity of Pte Detour of Green bay, this *middle* limerock may be advantageously quarried at many points upon the coast.

On the easterly side of Great bay du Noquet, the elevated cliffs belonging to the middle and lower portions of the *upper* group may be made to furnish an inexhaustible supply of good building stone. The rock is compact and admirably calculated to resist the action of disintegrating agents, and may be advantageously and readily quarried, of almost any required thickness. The lower portions are composed of thin strata of a fine grained rock, well fitted for the manufacture of quick lime, while the upper portions are of a more granular structure, and occur in strata having a thickness of from three to five feet. The cliffs and hills rise here, as we have before stated, to a height varying from eighty to one hundred and fifty feet.

On the easterly side of Little bay du Noquet the lower limestone and shales may be made to furnish a tolerable building stone as well as a material for the manufacture of quick lime, but of inferior quality compared with those before mentioned, and not as easily quarried.

From this brief outline it will be seen that this portion of the upper peninsula, furnishes an abundant supply of a superior material for building as well as for the manufacture of quick lime. Thus, when the soil shall be cultivated, the agriculturist will have an unfailing supply of calcareous manure at hand, and with a soil adapted to its use, by judicious management, he cannot fail to reap an abundant harvest. With these elements of wealth at hand, in addition to the great and important fisheries which surround the peninsula, we may, I trust, lay aside the long cherished idea, that this portion of our state must remain an uninhabited wilderness.

Mineral contents of Limestones and Shales.

The minerals embraced in the *groups* of limestones, of the upper peninsula, are few, and so far as I have been able to determine, even those few are in comparative small quantities.

Gypsum is found forming thin *veins* in the middle and upper portions of the upper group of limestones, and it has been obtained in sufficient quantity to admit of export; but so far as I have been able to determine these veins are of limited extent, and they are chiefly below the present water of the lakes. Veins of gypsum occur in the bed of the lake, near St. Martin's island of lake Huron, and also at several points on the coasts westwardly from Mackinac.

Calcareous spar, and iron pyrites are occasionally met with, and hornstone occurs still more frequently, sometimes forming thin beds in the upper groups of rocks.

SOUTHERN, OR LOWER PENINSULA.

Clay Iron-stone of Branch county, and Bog ores of Kalamazoo, Jackson and Oakland.

For an abstract of the labors performed in the southern peninsula of our state, I would refer you to the accompanying reports of the several assistants, hereto appended. I have deemed it unnecessary, *at this time*, to add more than to call your attention to a single subject, which, by an act of your honorable body, I was instructed especially to examine, viz: the "iron ore on section sixteen, town five south, range seven west, in the county of Branch."

Agreeably to those instructions, I proceeded to the examination directed, but a series of untoward events, together with the very urgent duties devolving upon me during that portion of the season which would admit of the continuance of these

labors, has thus far prevented the completion of the work. I was desirous to defer the completion of the examination until the surveys in that and the adjoining counties had been so nearly brought to a close, as to enable me to judge with certainty, of the real character of the formation in which the ore is embraced. These surveys are now so far advanced, as to enable me to arrive at satisfactory conclusions upon that point of the subject, and but little remains to bring the examination to a close.

In that portion of Branch county, to which my attention was called by the instructions, and over many miles of the surrounding country, a stratum of what usually appears as a grayish brown clay, rises to the surface, or is reached by removing the superficial soil by which it is covered. An examination of the ravines and banks of streams cutting through this indurated clay, shows it to be regularly stratified, and also, that the lower exposed portions approach in character very nearly to an argillaceous sandstone. It is in this stratum that the clay ironstone under consideration, is imbedded, and upon it the sandstones lying north as well as easterly, rest. Although these clays of the ironstone formation are more largely developed in this portion of Branch county than in any other position where they have been observed, portions of the stratum have nevertheless been traced through other parts of Branch, as well as through a portion of Hillsdale and Calhoun counties.

On the section (sixteen) alluded to, broken pieces of kidney ore were found in abundance, mixed with the soil, or more frequently lying directly upon the clay and covered by the superficial soil. As nearly as could be determined, the clay underlays the complete "section," but the opportunity offered for its examination is not as favorable as that upon some of the adjoining sections, for the reason that the surface is more uniformly flat, without any considerable ravines, while on the others, the formation is frequently exposed in the ravines and streams.

In order to determine more satisfactorily than could otherwise be done, the arrangement of the ore in the formation, as well as the quantity contained in a given area, an excavation was made in the westerly bank of Coldwater river, near the line between sections nine and ten, and but a short distance from the corner of section sixteen where the banks are elevated about twenty-two feet above low water of the river. This excavation, which was continued from the top of the bank, exposed the whole strata of the formation, as low as the water of the stream. About eighteen inches of clayey soil, containing numerous broken fragments of ore, caps the clay, after which the strata continue regular, each descending layer increasing in compactness, until at the base, as was before stated,

it has almost the compactness and character of an argillaceous sandstone.

The masses of ore, although distributed partially through the whole of the clay, are usually arranged in partial layers, separated from eighteen inches to two feet from each other, and by far the largest portion of it, as well as that of the greatest purity, occurs in the upper half of the bank. As we approach the harder and more siliceous portions of the clay formation, the character of the nodules of ore gradually changes, in consequence of the mixture of siliceous and aluminous matter with the iron, thereby rendering them nearly worthless.

After raising between five and six tons of the ore, I became satisfied of its existence at this point in sufficient quantity to admit of being profitably raised, and numerous partial excavations in the surrounding country, led me to believe that at least for a distance of more than half a mile, the relative quantity continues much the same.

This ore which, as has already been stated, is of that variety known as kidney iron ore, is of the same character as that so extensively used for reduction at many of the furnaces in Ohio, and it does not suffer by comparison with that which occurs in that state. The beds which have been so extensively and profitably worked in vicinity of Zoar, Ohio, occur under very similar circumstances, and the ore produced by an equal amount of excavation would probably be about the same at that place and the point alluded to in Branch county. At Zoar, the argillaceous stratum in which the nodules are imbedded, has a slaty structure, for which reason the labor of excavation may possibly be less than it would be with the more compact clays in Branch county. This variety of ore in Ohio, yields, "in the large way," from thirty to thirty-seven per cent, of cast iron.

Much of the clay with which this argillaceous ore is associated in that portion of our own state alluded to, is so nearly destitute of lime, and of so homogeneous and fine a structure, as to be well adapted to the manufacture of stone ware and fire bricks, and it cannot fail, ere long, to come into extensive use for these purposes. For the manufacture of these important articles, none of the numerous clays which have been noticed in the state will compare with those of this formation.

The investigation of this subject, as directed, will be continued upon the first opening of spring, with the view of bringing to light all the facts connected with this interesting and valuable deposit.

The peculiarly favorable situation of the surrounding country for supplying the materials required for the reduction of iron ore, renders it exceedingly desirable that the whole facts respecting this deposit, be known. With an abundance of

hydraulic power, situated in heavily timbered lands, yet surrounding by plains and prairies, in the immediate vicinity of the flourishing village of Union City, situated at that point to which the St. Joseph may be made navigable by improvement, and withal, possessing agricultural advantages second to none in the state, if it be satisfactorily determined that the raw material may be found in sufficient abundance to warrant, it is presumed that capital would not be slow in seeking an investment which would promise so abundant a return of profit.

In connection with this subject, I cannot refrain alluding to the fact, that we have not as yet a single furnace for the reduction of ore in our state, and while there is abundance of the raw material, requiring a comparatively small amount of capital invested for its manufacture, we are annually sending abroad an immense amount of money for those very articles, enhanced in value by the cost of transportation, which should be produced upon our own soil. Thus, while the rich bog ore of Kalamazoo, Jackson and Oakland counties are yielding their owners no profit, the very citizens who should be supplied from these sources, are transporting castings, by land carriage, at an expense, which, at this season of embarrassment, they are little able to bear.

The extensive bed of bog iron ore in the immediate vicinity of the village of Kalamazoo, alluded to in the first annual report from this department, and described in the accompanying report of Mr. Douglass, in consequence of the richness of the ore, together with its peculiarly favorable situation upon the banks of the Kalamazoo river, offers inducements for the investment of capital, that would appear to be in no wise appreciated; and it is sincerely to be hoped that ere long, sufficient drafts will be made upon it, to supply at least the inhabitants of that portion of the country, with all the iron which their wants may demand.

The valuable deposit of bog iron ore upon the land of Isaac N. Swain, Esq., near the village of Concord, Jackson county; referred to in the accompanying report of Mr. Douglass, should not be suffered to lie idle, and it is to be hoped that the enterprising citizens of the county in which it occurs, will not allow another year to pass by, without applying to use, that source of wealth which is now yielding profit to no one.

Gypsum and Marl.

Closely connected with the iron ores of our state in importance, is the subject of calcareous manures. Our citizens are already annually importing from the neighboring states, large quantities of plaster, and this import must have a rapid increase unless means be taken to open the stores which are found within our own state. There is no point now known where gypsum can be so readily obtained, and where it is at the same time

so advantageously situated for distribution over the surrounding country, as at the rapids of Grand river. Here is an extensive deposit of this important mineral, which in quality is not exceeded by any in our Union, yet thus far it has been entirely neglected. This should not be, for the time has now arrived when it is required for use, and no contingency should be allowed to arise that will cause it any longer to lie dormant.

The *marl* beds that are distributed at such short intervals over our state, appear thus far to have been wholly neglected by our agriculturists. These marl beds may be made to yield an inexhaustible supply of calcareous manures, which, judiciously applied upon proper soils, will be found scarcely inferior to plaster itself, and with the advantage that the marls are always close at hand, and may be procured at an expense which, compared with that of gypsum, is trifling.

The appended reports of Messrs. Hubbard and Douglass, serve to show the immense deposits of this mineral embraced within the organized counties of the peninsula, and to those reports I would refer you for more particular information on this important subject.

ZOOLOGICAL AND BOTANICAL DEPARTMENTS.

In conformity with the provisions of "An act relative to the geological survey," approved March 22, 1838, creating the Zoological and botanical departments of the geological survey, these departments were duly organized by the nomination by the head of this department, and the appointment by the governor, of the several assistants contemplated by the act.

Reports of the duties performed by the heads of these departments and of the progress which had been made in the work assigned them from the time of their appointment until January 1, 1839, were duly transmitted with the second annual report which I had the honor to lay before you.

Immediately after the adjournment of your honorable body at your last session, the resignation of the several assistants in these departments, caused a suspension of this portion of the contemplated work, since which time it has not been in my power to select persons competent to the task who would willingly accept the trust.

The resignation of the heads of these departments, and the suspension of work which necessarily followed during the complete season for labor in the field, has operated exceedingly unfavorably to the interests of these portions of the survey, and while I had hoped to see the zoology and botany of our state under the guidance of the able assistants in whose hands they had been placed, rapidly approaching to completion, comparatively little advance has been made, and the subjects remain very nearly where they were left at the date of my last report.

In order to preserve from absolute loss, what had already been done, and to make such advance as the circumstance might admit, a single sub-assistant, Mr. Geo. H. Bull, retains his situation, and by his assistance I have been enabled to place the botanical portion of the work in such condition that it may be of use in the final and connected reports which are required to be made.

It will be borne in mind that the several assistants, in the departments under consideration, are made by law, *state officers*, and that their salaries are fixed by that law; for which reason it will be perceived that the expenses incurred during the past year, must of necessity, have been reduced the amount of the salaries of the several assistants and sub-assistants, who have handed in their resignations.

In the present condition of the zoological and botanical departments of the survey, it will be impossible, under any contingency, to complete the work in the manner directed within the time assigned, while the work in the geological and topographical departments is drawing rapidly towards a close. The time which remains for the completion is so short, that I feel assured, no competent man would be willing to hazard his reputation in attempting, *within the space allowed*, to complete either the botany or zoology of our state. Again, if the time for the completion of these subjects be extended, they must necessarily, in the end, be separated from the general work, which will require no such extension.

GEOLOGICAL AND TOPOGRAPHICAL DEPARTMENTS.

The plan of organization adopted in these two departments of the survey is such, as to render them so mutually dependent upon each other, that they can scarcely be considered separately; for the field duties in each are performed by the same assistants, and it is not until the field notes are returned to the office, that the geological and topographical portions are finally separated. The labor of the assistants in these departments, as well as a portion of my own time, has been devoted to a continuance of the surveys of the organized counties of the state, and the work, although still in many parts incomplete, has, nevertheless, made rapid advances towards completion.

For an abstract of the progress that has been made in the topographical part of the survey, I would refer you to the report of the principal assistant in that department, hereto appended. The services of the topographer have been constantly occupied in reducing to form, the field notes, as they were returned from the geological department proper, by which arrangement, the contemplated maps of the separate counties of our state have been brought much nearer to completion than could have been anticipated.

For an outline of the plan adopted for the county maps, as

well as for the arrangement of this portion of the work, I would refer you to the second annual report from this department, and, in order to render this subject more intelligible to you, an outline map, representing the scale and general plan adopted for the separate counties, is hereto appended.

In connection with this subject, I would again respectfully call your attention to the importance of a sub-division of the northern portion of the southern peninsula into counties, for the reasons set forth in the report before alluded to.

Although a vast amount of labor yet remains to be done in the field in order to complete the work that has been commenced, will, nevertheless, with the present organization, be enabled, I trust, to complete the geological and topographical parts of it within the current year, being the time originally assigned by the act authorizing the survey. It will, however, be impossible, under any contingency, to complete the zoological and botanical portions of it within that time, and under the aspect which the subject has assumed since your last session, I have been led to believe a suspension of this portion of the work would be in consonance with your views. Should this be deemed desirable, no very great injury will now be sustained by the other portions of the survey, while the expense will be reduced nearly one half.

In addition to the labors yet required to be performed, an abstract of which will be seen by reference to the report of the topographer, there yet remains to be surveyed the whole of the northern slope of the upper peninsula, extending from the rapids of the Ste Marie river, to the westerly boundary, at Montreal river, the complete line of coast from the foot of lake Superior to the most westerly boundary, will require to be triangulated for the use of the topographical department, as well as for the correct delineation of the geography and geology. The uneven character of a portion of this country, will serve to render the topographical duties of those engaged in the geological survey, of the most arduous kind.

The geology of that district extending from Keweenaw point to, and including the Porcupine mountains, and stretching far into the interior, will require much minute examination, for it is within this district that the rocks containing the copper ore of lake Superior, are embraced. Were it not that I have already examined this country sufficient to know to what points to direct particular attention, it would be impossible to accomplish a work, involving such immense labor and hardship, within the time specified by the act of organization; but as it is, aided by the efficient and industrious assistants connected with the department, I can safely say, that the whole will be accomplished within that time.

DOUGLASS HOUGHTON,
State Geologist.

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Drawn by S.W. Higgins.

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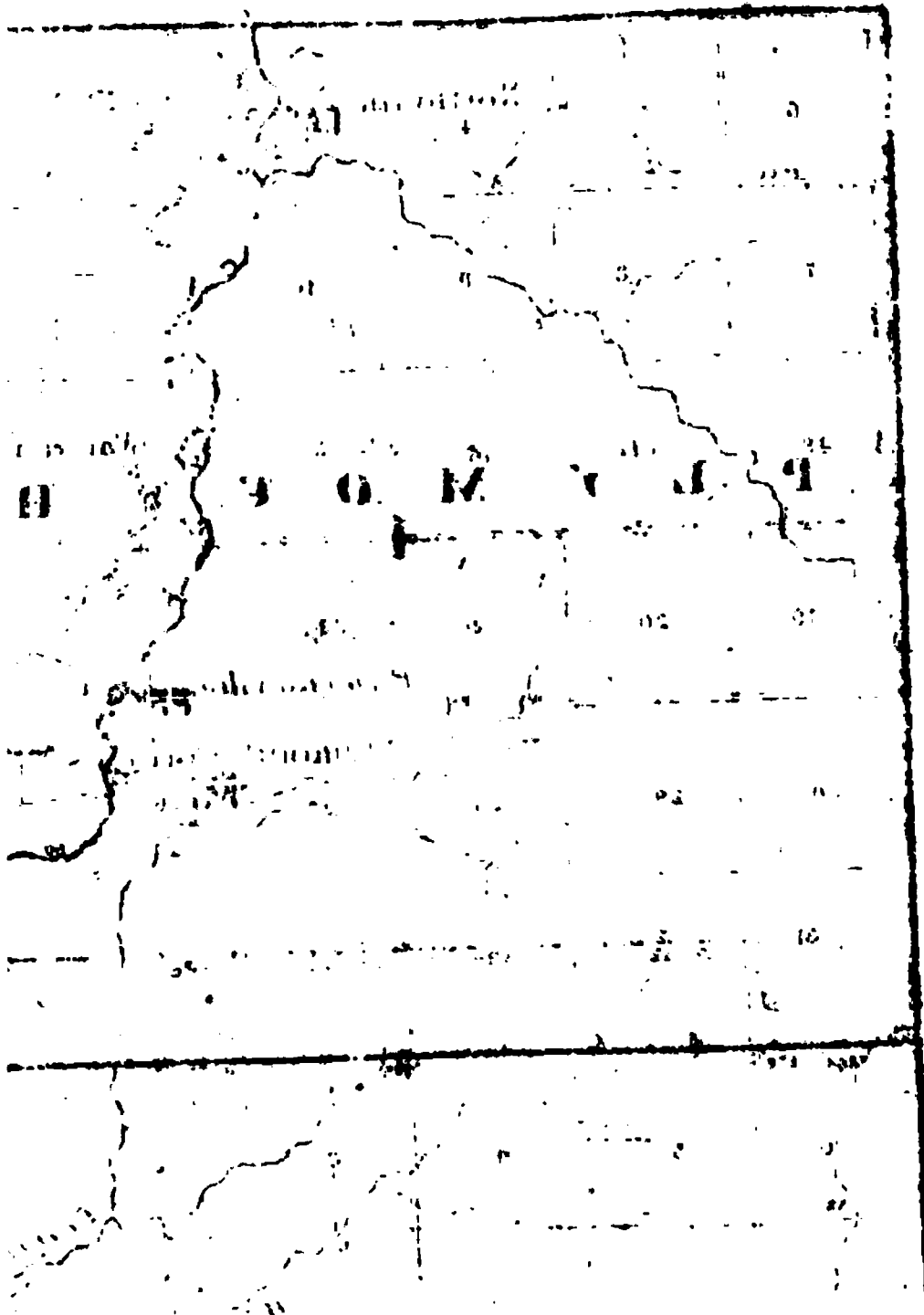
Copyright 1917 by S.W. Higgins

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RAVINE & R.

Base



Central Rail Road Prop.

5° 50'

5° 50'

Topographer of Geological Survey.

Detroit, January 12, 1840.

Wm. N. State Geologist:

... compiling and
details of info
gress of the
surveys.

... last annual communication to you, my
... occupied in the drafting office, mostly in
... ing to the scales of the proposed maps, the
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... gical survey, and the United States linear

The mutual connection, established by act of the legislature of 1838, between the geological and topographical departments (of the survey,) has not only enabled the latter to proceed with greater rapidity, but has furnished to this office through the assistance of those engaged in the *geological* department, an immense amount of topographical information which it would have been impossible otherwise to collect. The details returned by the geologists are platted, or roughly drafted by them while in the field, upon maps of single townships, on a scale of two inches to the mile. This scale admits of the utmost minuteness necessary in laying down the results, as well of the geological as the topographical investigations; and these *township plats*, thus executed, and returned to me, from time to time, are then applied by this department, to the reduced scale of two miles to the inch, which has been adopted for the several county maps.

The interest which of late has been manifested to ascertain the boundaries of lands held in dispute, where the parties were enabled to exhibit evident claims, has induced me to attempt a full collection of the patents issued by the United States to lands claimed by the inhabitants of the territory, and to construct a map which shall include all the necessary references as to the extent and boundaries of each separate tract, and the quantity of land contained therein.

Having thus stated the character of the duties which have occupied the officer of this department during the past season, I proceed to lay before you the

Progress of Maps under construction.

Those maps which were mentioned in my report of last year, as being in a state of forwardness, have progressed towards a state of final completion.

Of the thirty-four counties whose boundaries have been established by law, the topography of the following sixteen has more particularly been examined, and laid upon them, viz:

Wayne,
Jackson,
Lenawee,

Livingston,
Washtenaw,
Ingham,

Calhoun,
Branch,
St. Joseph,
Cass,
Berrien,

Eaton,
Hillsdale,
Monroe,
Oakland,
Genesee.

Explorations have been made of Ionia, Kalamazoo and Van Buren, but want of time has prevented the further execution of the maps of these counties.

Limited portions only, of the counties enumerated below have been explored, it being intended to resume that work in the proper season.

Lapeer,
Saginaw,
Kent,
Ottawa,

Clinton,
Allegan,
Shiawassee.

No investigations have been made as yet, in the following counties, viz:

Barry,
Sanilac,
Midland,
Isabella,

Macomb,
St. Clair,
Gratiot,
Oceana.

The northern parts of Kent, Ottawa and Isabella, and the whole of Oceana, were unsurveyed at the time of establishing their boundaries, but since they have been sub-divided, along with much of the remaining portion of the peninsula, it would now be a proper time to determine any alterations to be made, and also to establish the boundaries of new counties over that portion of the state.

Oceana and Ottawa, are greatly disproportioned in size, to all the other counties of the state, except Oakland, the former having an area of thirty-six by sixty miles, and the latter twenty-four by thirty-six; while Branch, Cass and most others have an area only of twenty-four by eighteen miles.

In progressing with the topographical maps, regard has been had, in connection with the geological survey, to a speedy publication of them, with as little delay as possible, in order to place in the hands of our citizens, as well as of the emigrant, who may require a more accurate knowledge of the country, the information which they contain. Much solicitude at the present time is shown in many of the eastern states for similar maps, presenting such a delineation of their territories as will develop their own resources, and as may tend to the prevention of that tide of emigration which has set westward for the last few years.

Aided by little else than common report, and information furnished by surveyors, of the richness of our western lands, the spirit of enterprise induced constant emigration to our state, and were further means used to extend information in regard

to the remainder of those lands recently surveyed, and lying north of Grand river, and, indeed, in every other part of the peninsula, not yet bought up, they would be much more speedily settled upon and improved.

For want of the means of a better knowledge of the country, it is believed that the north and west have been neglected, where selections might be made, equal to the best in quality and extent, and comparable with any other districts on the peninsula.

To prevent Michigan from being a mere thoroughfare for emigrants, who, having embarked for states and territories in the west, are seeking the most direct passage into Illinois, Wisconsin and Iowa, while the best portions of our state are passed by, justice to the former reputation of our soil demands a description, the correctness of which would more than maintain its former and deserved estimation.

"If the benefits of correct topographical maps are not obvious to the minds of all, they are none the less real. The durable reputation of the state is too deeply concerned," to leave to circumstances merely, or to fortuitous information, the decision, whether a residence in *Michigan* is preferable to one beyond it; nor can we expect that without the information which such maps afford, the country will be either known or appreciated.

Map of lands donated by the United States.

I have now in my possession, copies of almost all the original patents, and have advanced so far in the construction of the map, as to approach completion. No labor in this department has been more arduous; at the same time none has given me more satisfaction, or appeared to offer greater advantages to those interested. This is the more evident, since there exists no map of these surveys, which can in any manner be depended on, and those which do exist, are too much mutilated for use, and are both few and erroneous.

It is well known, that in very many cases these surveys made by Mr. Greely, upon which patents were granted and confirmed, will greatly affect the proprietorship of fractional lots lying in connection, inasmuch as instances occur where the section lines of surrounding surveys, made six years afterwards, are found to pass through and are closed upon the interior lines of patents, and portions of such patents, being actually sold in fractions as public lands.

An instance of this kind occurs about nine miles west of the city of Monroe, on patent No. 588, survey No. 428, containing 61,364 acres, originally donated to McDougal and Ruland.

While it is barely possible in any other of the surveys of the state that these conflicting claims can occur, on account of

the regularity and method observed, almost endless litigation is likely to be the consequence of a re-survey and establishment of the boundaries of these donated tracts.

The consequent utility, therefore, of a correct map of these donations, can be little less than that of a true description contained in a title to the property at stake. The period should not be further prolonged, for the public to be in possession of this work, and to secure the important advantages to be derived from it.

Extent of donated Lands.

The number of acres comprised in these patents, as near as I can now state, is about 130,000 acres; 52,165 of which lie in the neighborhood of Monroe, viz: between the riviere aux Vase and riviere aux Loutre, or Otter creek, 3,980 acres; between the riviere aux Routre and Plaisance creek, 1,167; between Plaisance creek and Fleurisance or Plumb creek, 2,143 acres; between riviere Raisin and Mason's run, 267 acres; between Mason's run and riviere aux Sable, 1,958 acres; between the riviere aux Sable and riviere aux Roche, 1,280 acres; and on each side of the riviere Raisin, the balance 41,368 acres.

Leaving the riviere aux Roche, or Stony creek, an interval of undonated lands occurs along the remainder of the shore of lake Erie, with but few exceptions, until reaching the Ste Cosme, at the mouth of the riviere Ecorses on Detroit river. From thence, for the distance of forty-five miles to Anchor bay in lake St. Clair, the lands are held by donation; thence again at not unequal intervals, to the shore of lake Huron.*

In short, much of the frontier included between the Maumee river, at the south-west end of lake Erie. up to lake Huron, was given to the inhabitants when this territory last changed rulers, and became a member of the Union. The inhabitants being few in number, required the fostering care of the government. At that period no human foresight could have predicted the immense value which these lands have since acquired; indeed, until the last few years, many important facts, relating to their ownership, were passing away; and in all probability, in a few years more, cases would have occurred where nothing would have been left, except such little information as tradition might have recorded.

Additional number of Peninsula Lakes.

The number of these was stated last year, so far as was then known, to be 1,425; this year the additional number which have been meandered, and otherwise known, amount to 872.

*For a history of the early transactions of the territorial government, and the commissioners appointed to settle land claims, vide American state papers, public lands, vol. 1, and Woodward.

The final number, probably, will not prove less than 3,000; thus the Indians have most aptly designated *Michigan* as *the land of lakes*.

Lake Lemen, in Switzerland, undoubtedly merits all that has been bestowed upon it by the thousand travelers who take occasion to visit that region. It would require, however, but a very limited knowledge of almost any district in this state, to find it surpassed; and the praises so liberally published and sung from "*note books*" and "*scraps*," "*journals*," "*residences*," "*reminiscences*" and "*pencillings*," would no more be heard in defence of a comparatively small expansion of a river.

Our inland peninsular lakes far exceed in number and beauty all others, perhaps on the globe. There are many, too, of the twenty-four hundred, already explored, dotting the surface of the country at every elevation, that for combination of all that is required in a finished picture, can never be excelled; hundreds of them present, what art has long endeavored to imitate in older countries, investing them with lawns, interspersed with orchards of a noble growth of oaks, and frequent prairies, flush as at the dawn of their creation. No eye, however sated, nor mind, however perverted, can contemplate a landscape so rich and varied, without yielding to the impression of its loveliness.

The outlets as well as inlets, of many of these lakes, are subterraneous; no surface stream being apparent, but the source of their supply may, with little examination, be discovered, in the numerous springs around their margin, which are usually indicated by clumps of willows and other bushes, and not unfrequently by masses of tufa.

The rise of water in all the peninsula lakes, was co-incident with the late rise in the great lakes, and originated from the same cause.

Wells sunk in their vicinity, particularly when the sand rock has been excavated, have an ebb and flow occasioned either by rains, or change of wind, affecting the level of the lakes with which they communicate.

Roads and Highways.

The roads and highways of our state claim a remark, as excelling in many particulars, those of the east, both in respect to their uniform grades, and their passable condition at all seasons of the year. The cause of the first mentioned superiority is common to most of the western country, viz: the even and level nature of the surface, which is at most gently undulating or rolling, with the total absence of mountains or high hills. The second arises from the nature of the soil, it usually containing much sand and gravel in its composition.

The roads in the openings and plains, offer to the traveler a

variety of routes, with the choice of diverging at pleasure, the scattered oaks leaving sufficient space between for the passage of horses or carriages, while the prairie is one wide unbounded highway, where no obstacle is present for pursuing whichever course curiosity may direct. These roads require the expenditure of little or no labor to keep them in repair.

The only exception to the above remark is found in those roads which, commencing at the different frontier towns on the eastern coasts, lead across a low timbered belt of country for the distance of six, ten and fifteen miles, and where the soil, as in some other districts, is clay. In these districts, they require to be worked at no inconsiderable expense, to keep them passable during the wet periods of the fall and spring.

The Chicago Turnpike or Trail.

Among the most noted of the highways of the state, the *Chicago road* claims a particular notice. It was formerly to the western tribes of Indians, the Sauks, Foxes, Winnebagoes, Menomonees, Potawatamies, &c., what the national road from Cumberland to St. Louis, now is to the whites. They were constantly traversing it in periods of war and peace, or when treaties were negotiating, and different and distant tribes were to be represented.

The Sauks from the Mississippi, in great numbers, in late years, were accustomed, by this route, to reach fort Malden to receive their annuities from the British government.

There were no parallel trails across the peninsula, and the trails from the Potawatamies in Indiana and Illinois, and from the Foxes and Menomonees, &c., of the north-west, all joined near the south bend of lake Michigan, and uniting into one, led directly to Detroit.

Persons even well acquainted with the appearance of an ordinary Indian path, are astonished at the width and depth of the track which is visible in places, to this day.

Such was the directness and facility of this route, that the United States made an appropriation some time after the erection of a territorial government for the north-west, causing a survey to be made of it from Detroit to Chicago, and letting it in sections for the construction of a turnpike.

This trail is supposed to be as long as any other within the territory of the United States, being two hundred and forty miles from Detroit to the point where it received those diverging trails from the south and north-west, and the length of some of its branches cannot be less than three hundred miles further, while numerous smaller ones enter from different directions, by which means the early pioneers of the west, easily threaded their way through these regions, and into the valley of the Mississippi, beyond.

Natural Woods of Michigan.

The arrangement which this subject calls for, properly belongs to the department of botany. Nevertheless, without attending to the details which should accompany a catalogue of an entire flora, it will be sufficient to exhibit generally, the geographical boundaries of such of the larger productions as are required for constant use, either in farming, building, or for the market.

Oak is the predominant growth of the peninsula. Among the varieties, the white is in the greatest abundance.

The shingle or laurel oak, and the red oak, are next abundant. And the burr oak, though not usually found intermixed in common with the other varieties, abounds, notwithstanding, over extensive areas, not unfrequently to the exclusion of other kinds.

The surest indication of a good soil accompanies the last mentioned, and the finest and largest crops of wheat are there produced, for the reason that the soil contains a larger amount of calcareous matter.

Dividing the peninsula by an east and west line, nearly corresponding to that of the northern railroad, a botanical map would represent the northern portion as having by far the greatest burthen of timber, possessing a proportionable quantity of the different varieties found elsewhere in the state.

Marked limits may be given to those districts in the southern portion, where a few groves of pines are found. Their localities are in the vicinity of the water courses of Kent and Ottawa counties, and among the timbered lands of Allegan; extending in comparatively small tracts along the borders of lake Michigan, nearly to New Buffalo, in Berrien. In crossing the state through the interior counties, none are met, until reaching the central parts of Genesee, Lapcer and St. Clair. Here they are again found in the same range of northern townships, where they first occur, in the counties before mentioned.

North of this belt or zone, which is the natural boundary between the oak openings and plains of the south, the forest abounds promiscuously with the white, yellow and Norway pine, white cedar, tamarac, ash, oak, birch, sugar maple, sycamore, beech, lynn, elm, white wood, black walnut, &c., &c.

There are, however, extensive districts nearly continuous from Ottawa, Kent and Ionia counties, northward, of openings and small prairies, particularly a few miles inland from White river, and from Great and Little Sable points. But on ascending the Maskego river until reaching its source, thence north, on both sides of the principal meridian, extensive tracts occur, in many instances free from a mixture of other timber, while

in other places, the sugar maple and beech are not unfrequently found commingling with pines of immense girth.

The fact of the white wood and black walnut accompanying the sugar, and beech, as seen occupying the districts inland, from the Sable points, in towns thirteen, fourteen, fifteen, sixteen and seventeen north, of ranges fourteen, fifteen, sixteen, seventeen and eighteen west, would, to the most ordinary agriculturist, demonstrate the superiority of the soil, and, when taken in connection with the limited tracts of oak openings and the great amount of the most valuable timber, it seems difficult to determine any preference of the southern over the northern portions of the state.

The soil is not considered of so good a quality on the eastern side of the peninsula, immediately along the shore of lake Huron, owing to its low, level and sandy qualities, consisting chiefly of the debris of sand rock. Consequently the timber is generally stunted, and consists, in greater proportion, of birch, tamarac and cedar.

Where pine occurs, it is mostly too small to be profitably made use of. But at every advance, inland, both improve.

The face of the country, throughout the northern interior, is high and rolling, or undulating, and appears, to one acquainted with the southern part of the peninsula, to bear a close resemblance in its general contour.

It may be considered, then, as a question fully decided, that more than one-half of the state is heavily timbered, in that part lying above the northern railroad; that the sugar and pine are here the most common, as well as the most valuable timber; that the other kinds are found in situations equivalent to their occurrence further south, upon streams and bottom lands, or upon plains and openings.

No tree is held in higher estimation, by the Indians, than the sugar maple, and no source of complaint is more grievous, than a separation from it, by removal to places where it is not found.

The pine, if not wasted, or wantonly destroyed by fire, or otherwise, will furnish an abundant supply for a long time to come.

Variation of the Magnetic Needle.

The surveys of Michigan were intended to correspond with the true meridian, excepting those of Mr. Greenly, before mentioned, which were made without an observation to determine the true north. There appears, however, a variation between his first and last surveys, of about 1°.

This difference is palpable, on tracing the lines along the first donation lands, to the rear of the "back concessions," so called, but the time which elapsed between running the front

and rear lines, may account for this in some measure, being about three years, during which it is well known, there must have been a greater or less alteration in the magnetic meridian. The needle, in this instance, was attracted westward.

Mysterious as the movement of this instrument is accounted to be, were greater attention devoted to an examination of the causes that effect it, instead of diminishing confidence in many of its results, its habits, though governed no doubt by a subtle influence, would be intimately known, and its uses appreciated accordingly. The rights of our citizens to their property, is closely connected with this inquiry.

Columbus, in his first voyage to America, first noticed the deflection of the needle, and since that time the subject has engaged the unceasing attention of the scientific, particularly for the last few years, insomuch that measures are now taken, both in Europe and America, to investigate fully the causes which are known constantly to effect it.

In 1835, the line of no variation was known to run longitudinally through about the middle of lake Huron; the variation on the shore twelve miles above the foot of the lake, was 6' east; on Pointe aux Barques, in lat. $43^{\circ} 51' 36''$; seventy miles from the foot of the lake, it was $1^{\circ} 38'$; twenty miles west of Pointe aux Barques on the same parallel, it was $2^{\circ} 6'$; farther west, at the mouth of Saginaw river, in lat. $43^{\circ} 36' 30''$, $2^{\circ} 19'$ east, at the same time it was $2^{\circ} 10'$ at Detroit, lat. $42^{\circ} 18'$.

This line of no variation, has had, for the last eighteen years, a slow and perceptible movement westward, whereby continual changes are observable in the magnetic meridian.

The rate of movement, from 1810 to 1822, was from $2^{\circ} 48'$ to $3^{\circ} 13' 22''$; equal to $25' 22''$ increase of east variation. From 1822 to 1828, a decrease from $3^{\circ} 13' 22''$ to $2^{\circ} 50'$; (yearly difference, $4' 410$) and for the last twelve years, up to 1840, a decrease $2^{\circ} 50'$ to 2° ; (yearly difference, $4' 10''$) 2° being the variation at this time at Detroit, where the above observations were taken.

The progress made in the surveys of the public lands during the last three years, has further developed this subject.

In 1837, on lake Michigan, near the mouth of Grand river, the variation was $4^{\circ} 30'$ east; thirty miles north, on the south side of Little Point au Sable, it was $6^{\circ} 15'$ east; and twelve miles further, on the north side of the same point $6^{\circ} 00'$; at the mouth of Pierre Marquette river, seventy-eight miles above Grand river, $4^{\circ} 34'$ east.

In 1838, the north boundary of town twenty-four north, range sixteen west, on the shore of lake Michigan, ninety-nine miles above Grand River, in lat $44^{\circ} 31'$ it was $4^{\circ} 30'$ east; thirty miles east on the same parallel, $2^{\circ} 50'$ east; sixty miles

east on the same parallel, $2^{\circ} 45'$ east; ninety miles east, same parallel, at the principal meridian, 2° east.

The magnetic meridian of Detroit, then, would pass at this time diagonally across the state, having a bearing from Detroit to the mouth of Saginaw river, thence to where the township line number twenty-four intersects the principal meridian, passing off the northern boundary of the state into lake Michigan, near the Little Traverse bay, and intersecting the western extreme point of Wabashanee.

Further data could be furnished were it thought necessary, but the foregoing is presumed to be sufficient to call the attention of practical surveyors to the importance of accurately making and recording their observations.

Diurnal Variation.

Besides the absolute variation, a daily motion has been observed constantly to accompany the needle.

The amount of this variation corresponds to the temperature, and therefore, at the period of the united heat of the earth and atmosphere, the diurnal variation will be greatest. This variation tends to increase the *absolute* western, and decrease the eastern variation, because the north end of the needle in this case invariably points to the west.

Messrs. John Mullett and W. A. Burt, are the only gentlemen who have communicated to me their observations. These were made without a thermometer to determine the degree of temperature, yet during several summers, the correspondence of their observations with those made elsewhere, agree as to the amount of variation, the mean for August and September, being $14'$. Mr. Burt found the maximum for one day, $40'$, but it is probable that other causes were in combination.

Errors arising from incorrect observations.

The known inaccuracy of the first public surveys, undoubtedly arose from errors in making observations to ascertain the variation, and shows a recklessness to obligation, which was probably induced by the newness of the country, and apparent distance of detection.

The fairest portion of the state was sub-divided with this evident want of skill, and with a carelessness in the first surveyor* which has already resulted in a vast amount of trouble and absolute loss to a portion of our citizens.

The area embraced by these surveys may be traced on the map, commencing at the south boundary of the state; thence northward forty-eight miles to the base line; thence fifty-four miles up to town number nine north; thus passing along the meridian of seventeen towns, of six miles square. Range lines

* Mr. Wampler.

intersecting these meridians at right angles, were also begun at the southern boundary of the state, at the principal meridian, and closing on the eastern border of the state.

The lines throughout this whole tract were run at a variation differing but little from $4^{\circ} 39'$.

The error lies in a too great variation of about $1^{\circ} 30'$ as is proved:

1st. By platting these surveys in connection with those since made, where a convergency, too great, of two miles is observable, on a meridian of fifty miles.

2d. By the incorrect manner in which the surveys themselves close; in many instances, a difference of 2° and 3° being necessary to meet the exigence.

3d. From the records of actual observations, made both before and since.

4th. From the improbability of the variation ever having been so great at or near Detroit.

In 1810, colonel Jared Mansfield records the variation at Detroit, at $2^{\circ} 48' 00''$ east.

In 1822, Messrs. Mullet and Lyon, records the variations at Detroit, at $3^{\circ} 13' 22''$ east.

Between the time of the above two observations, during the years 1816, 1817 and 1818, the error was committed, and if Mr. Wampler, who performed the surveying, was right, then from 1810 to 1816, the variation had increased from $2^{\circ} 48'$ to $4^{\circ} 39'$; making a difference of $1^{\circ} 51'$ in six years, or equal to $18' 30''$ each year; an unheard of phenomenon on this meridian, when it is further considered that in 1828 it was reduced to $2^{\circ} 50'$; decreasing in a ratio of $4\frac{4}{10}'$ per year only, and $4' 10''$ being the average annual decrease since that time.

I am inclined to attribute the error, to a neglect of observing the motion of the north star at the time of observation. This star revolves round the pole once in twenty-three hours and fifty-six minutes; and when at its greatest eastern or western elongation, is $1^{\circ} 34'$ nearly, from the pole. The western elongation was, no doubt, substituted for the meridian, which, it was intended to observe, whereby the error occurred.

Little, if any, attention was afterward manifested to correcting this error, and it is doubtful whether a suspicion existed in regard to it; for being satisfied with having obtained an observation at one point, at the beginning of the survey, three years were afterwards consumed in establishing town lines, without an alteration of $5'$ of a degree, advancing with each line westerly over a space of one hundred miles, as in the instance of towns Nos. 17 north.

Now, so far as the best information collected up to this time, in regard to the increase of magnetic variation, (which is stated by professor Loomis, in the American Journal of Science, vol.

34, to be about 1° in sixty English miles,) these lines, on the western boundary of the survey, should have been run at a variation of $1^{\circ} 40'$ greater than on the eastern. Hence arises the cause of that series of fractional townships adjoining the principal meridian, throughout the extent of this survey.

Decrease of elevation in the waters of the Lakes.

All that is necessary to observe on this subject, is, a notice of the decrease in the level of the waters of the great lakes during the past year.

It is a question, I believe, satisfactorily determined at the present time, that there exists no perceptible tide in them, which can be referable to planetary influence, yet for a long time to come, it is presumed, on the ordinary fluctuations produced by atmospheric agency, will be considered a *tidal wave*, nor will the persuasion be easily dismissed, that so great an expanse of water can remain unaffected, at least to some degree.

The question is also as fully determined as to their general rise for a succession of years, and then their general subsidence to a certain minimum, the actual degree of which, as well as the maximum, were not recorded previous to the year eighteen hundred.

Their elevation in 1838, was given in my report of last year. The waters had then attained to five feet and three inches. This proved to be a greater flood than had occurred within the last century.

Table of elevation and depression in the waters of the lakes, compared with that of June 1, 1839.

| | | | Feet. | Inc's. | Feet. | Inc's. |
|------------------|----------------|-----------|-------|--------|-------|--------|
| August 21, 1838, | highest stage, | | | | 5 | 03 |
| September, | do | decrease, | 0 | 03 | 5 | 00 |
| October, | do | do | 0 | 09 | 4 | 03 |
| November, | do | do | 1 | 00 | 3 | 03 |
| December, | do | do | | | 3 | 03 |
| January, 1839, | do | same, | 1 | 08 | 1 | 07 |
| June 10, | do | increase, | 2 | 01 | 3 | 08 |
| July 31, | do | do | 0 | 03 | 3 | 11 |
| Sept. 20, | do | decrease, | 0 | 09 | 3 | 02 |
| Oct. 28, | do | do | 0 | 09 | 2 | 05 |
| Nov. 27, | do | do | | | 2 | 05 |
| Jan. 30, 1840, | do | same, | 1 | 08 | 0 | 09 |

Future prospects of the Peninsula.

It would not be difficult, from its topographical features, to predict the future condition and prospects of the peninsula.

It is conceded that most of the soil is peculiarly adapted to the production of wheat and other grains; and that at present, after disposing of a quantity equal to the whole product of any other state, the surplus which remains would equal in amount that already disposed of.

No district will ever be exclusively manufacturing, even though the coal in the central counties will in time be an article of common use.

The necessity which compels the erection of manufacturing establishments propelled by steam elsewhere, is the want of hydraulic power; no such necessity exists throughout our whole peninsula; were it otherwise, and a resort be had to steam, the coal region will furnish an abundant supply for all purposes which any other state can boast.

Hence it is, that so common are the facilities for the erection of mills on our streams, that there are no less than three hundred and eighty-six for flouring and sawing, in thirteen counties; Oakland and Lenawee each have fifty-one, and Washtenaw fifty-eight.

With equal facilities for making lumber, the pine of the north has already become an article of export from our shores.

Already such is the pursuit after the wealth which lies stored up within the lakes, that public attention is turned to the establishment of extensive fisheries on their distant shores and islands, and it will require but a few years for the development of this field of enterprize, and realization of its lucrative returns.

Michigan is a maritime state, having the advantages of the commerce of immense inland seas on every side; add to this the agricultural resources of which she is capable, and within the last twelve months has given an earnest, in her interior lakes and rivers, her resources in lumber and minerals, and an estimate may be formed of her future prospects and wealth; in the exportation of her products, the establishment of manufactories, in lines of internal improvement, and in the independence of her citizens.

S. W. HIGGINS,

Topographer to the Geological Survey.

Report of C. C. DOUGLASS, Assistant Geologist.

Detroit, Jan. 12, 1840.

To DOUGLASS HOUGHTON, *State Geologist*:

SIR—In compliance with your instructions, I have the honor herewith to transmit to you the general results of so much of my geological and topographical examinations, made during the past year, as are of practical utility.

In addition to the geological examinations, specimens have been collected, illustrating the geology, mineralogy and soils of the counties examined, and in accordance with your instructions, by which the assistants in the department of geology were required to perform the additional duties of assistants in the topographical department of the survey, field notes for the construction of accurate topographical maps of nearly every township examined during the past season, have been returned to that office.

My time during the past year has been chiefly occupied in making a detailed examination of the northern and western counties of the state.

In order to avoid, as far as may be, that repetition which would necessarily result from a consideration of the counties separately, I have grouped in a single district, the counties of *Jackson, Calhoun, Kalamazoo, Eaton, Ionia and Kent*, and comprised in a second group, the lake counties, *Ottawa, Van Buren and Allegan*. The geological features of the first group of counties would be extremely interesting, containing as it does the principal coal series of the southern part of the state, were it not for that almost universal covering of diluvium and ancient alluvion, varying in thickness from a few inches to several hundred feet, beneath which they are to a great extent concealed.

General remarks on the counties of Jackson, Calhoun, Kalamazoo, Eaton, Ionia and Kent.

In their topographical features, these counties, as a whole, may be described as gently undulating, with frequent level tracts of land, and occasional irregular knobby ridges.

The major part of Jackson, Calhoun and Kalamazoo counties, presents black oak, white oak, and hickory openings, interspersed with plains of white, black and burr oak, and hickory; while there are numerous tracts of heavily timbered land and prairies.

Ionia and Kent counties are nearly equally divided between oak openings, plains and heavy timbered land. Eaton county is mostly heavily timbered with beech, maple, &c.

The soil of these counties, as a whole, do not appear to have resulted from the disintegration of the rocks upon which they are based, but to have had their origin chiefly from the transition and primary rocks lying farther to the north. Intermixed with these, is not unfrequently a proportion of the debris of the coal bearing rocks, or the rocks of that series which forms by far the greatest portion of the district under consideration. Boulders of primary rocks, are not of unfrequent occurrence, and in some places occur in very great abundance.

The soil derived from these sources, presents all the varie

ties, from a siliceous sand to a stiff clay; nevertheless, the most meagre of these soils contains the mineral and organic elements which are necessary to the growth of vegetation. As if to supply these soils, which may have been naturally meagre, or may have been rendered so by exhausting crops, nature has deposited inexhaustible quantities of manures, almost universally, throughout the counties, in the form of decayed vegetable muck, shell and tufaceous marl, marly clays, limestone and gypsum.

Marl, which is more universally distributed than any other of the calcareous manures of this district, and which will, in consequence of this fact, admit of a more universal application, is in itself more valuable for this purpose than limestone, since it generally contains vegetable and animal matter in combination, and its effects are more immediate. It exists in a state of minute sub-division, and is in a condition prepared to become directly a constituent of the soil; while it is necessary that limestone, as well as gypsum, should first be reduced to powder.

Marl.

Deposites of marl were found in nearly every town, in the counties under consideration, occurring in the beds and banks of lakes and streams, in marshes, as well as occasionally, on the more elevated and dry lands, at a considerable distance from water.

This latter position is not unfrequent, but marls found in this situation, invariably show that they occupy what has heretofore been the bed of some lake or pool. Thus the marl does not seem to be confined to any particular soil or geological position.

For further particulars, respecting the origin and formation of marl, I refer you to Mr. Hubbard's report.

Local details of Marl. Jackson County.

Shell marl occurs more or less abundantly in the town of Napoleon, on sections twelve, fourteen, fifteen and nineteen, and other deposits of minor importance, were also noticed in this town.

In the town of Columbus, marl occurs, forming a very extensive deposit in the vicinity of Clark's lake. It also occurs abundantly on sections eight, nine, thirteen, nineteen, twenty-eight and twenty-nine, in the same town. Several of these deposits have an area of more than one hundred acres.

Several very extensive beds of marl were noticed in the town of Liberty, on sections eleven, thirteen, twenty-three, twenty-four and twenty-seven, as well as in the bed of Powell's lake and its vicinity.

The town of Spring Arbor abounds in extensive beds of marl;

which were more particularly noticed on sections twenty-one, twenty-eight and twenty-nine.

Hunover. A bed of marl having an area of more than one hundred acres, was noticed, forming a portion of the bed and banks of Farwell's lake. Inexhaustible deposits of shell and tufaceous marls occur near a lake which forms the head of Kalamazoo river.

Town of Sandstone. Marl is not unfrequently met with in making excavations in the marshes of this town. It was noticed near the village of Barry, and also on the farm of the hon. Mr. Gidley.

Pulaski. Marl occurs in abundance in many of the lakes and marshes of this town. A very extensive bed of shell and tufaceous marl was noticed on the farm of Isaac N. Swain, section two, occupying an area of more than sixty acres, and having a thickness exceeding six feet. An extensive bed was also noticed on section twenty-five.

Rives. A somewhat extensive deposit of marl occurs on section nine.

Leoni. Marl, in inexhaustible quantities, occurs near the outlet of Wolf lake, and also upon sections four, eleven, twelve, twenty-two and twenty-three.

Town of Jackson. Marl occurs in this town, in abundance, on sections twenty, twenty-one, twenty-six, twenty-seven and thirty-one, (town three south, range one west,) and also on section thirty-one, (town two south, range one west.)

Concord. Several extensive beds of marl occur in this town which were more particularly examined on sections eight and nine. Also in the bed and banks of the Kalamazoo river.

Grass Lake. On sections thirteen and twenty-nine, in this town, extensive beds of shell marl were examined.

Springport. An extensive bed of marl occurs on section fifteen.

Tompkins. An extensive bed of shell marl was examined on section seventeen, in this town.

Eaton County.

Kalamo. Several very extensive beds of marl were observed on sections twenty-two and twenty-five, (town two north, range six west,) and on section nineteen, (range five west.)

Kalamazoo County.

Texas. Shell and tufaceous marls occur in the beds of several lakes in this town. Also on sections thirty-one and thirty-two, of the same town, is an extensive deposit of this mineral.

Alamo. On sections one, nine, twelve and twenty-four, extensive beds of marl were examined.

Cooper. Marl is not unfrequently met with in the alluvial lands in the vicinity of the Kalamazoo river.

Ross. Marl was noticed in several of the lakes and marshes of this town.

Kalamazoo. Tufaceous and shell marls occur in a large marsh and in the valley of a small stream north-west from the village of Kalamazoo.

Chester. Extensive deposits of marl abound in this town, on sections four, nine, ten, eleven, twelve and twenty-four.

Calhoun County.

Marl occurs at intervals through this county in the alluvial lands of the Kalamazoo river, and pebbles and boulders are not unfrequently seen in the bed of the stream, incrustated with a thick coat of tufaceous marl.

Milton. Marl was observed in this town on the farm of hon. S. McCamly. It also occurs in several of the small lakes and streams.

Marengo. Marl is of very frequent occurrence in this town. An extensive bed was observed on sections one and two.

Marl was observed in the town of *Marshall*, near the hon. Mr. Pierce's mills. Also, in comparatively small quantity, in the low lands between the village of Marshall and the Kalamazoo river.

Kent County.

Town six north, range nine west. Tufa occurs in this township in the bed of Flat river, on section twenty-six, in a very extensive deposit.

Marl was observed on sections three and eight, township six north, range twelve west.

Extensive deposits of shell marl occur on sections twenty-two and twenty-three, township seven north, range ten west.

Marl was examined in township eight north, range eleven west, on sections thirteen and fourteen, in a dry burr oak plain.

Ionia County.

Tufaceous marl occurs in inexhaustible quantities in the vicinity of Lyon, town of Maple. Incrustated in some portions of this tufa, are quantities of leaves, recent shells, and in one instance have been found the vertebra and other remains of a large snake.

Marl occurs on section one, township six north, range five west; its extent unknown.

Extensive beds of shell and tufaceous marl exist near Mr. Dexter's mill, in the village of Ionia. Also, in the bed and banks of several of the small streams west of Ionia village.

Extensive beds of marl occur on sections ten, eleven and twenty-two, township eight north, range eight west.

This abstract of the locations of this valuable mineral only includes some of the most extensive deposits. It is sufficient, however, to render it apparent that marl is distributed in sufficient abundance to afford a ready supply for use as a manure, as also for the manufacturing of quick lime. It is within the reach of every man to obtain this restorative for his soils or a lime for economical purposes; an article of which, otherwise much of the country would be nearly destitute.

Peat.

This combustible alluvium is not unfrequently met with in the counties under consideration, in considerable quantities. That which has been examined, is chiefly of a coarse and fibrous character at the surface; while at a slight depth, its compactness is much increased. It will afford a tolerable article for fuel, when the wants of the country shall require it. This substance will, if properly prepared in compost heaps, prove of great value to the farmer, as a manure for enriching his land, and occurring as it does in abundance, this must eventually become a subject of great importance.

Clays and Sands.

Sands and clays forming portions of the diluvial and alluvial deposits are found in occasional somewhat extensive beds, in various parts of the counties under consideration, and may be found occupying positions, from the lowest sink to the summit of the highest elevation, apparently having no regular order of place but appearing in the form of irregular deposits.

Sand, suitable for moulding, brick making and for mortar, occurs in great abundance, and is usually composed of grains of quartz, hornblende and the debris of other primary minerals. It sometimes appears in a stratified form, and this stratification more frequently assumes an oblique direction to the plane of the horizon.

Many portions of the soft and disintegrating sandrock may be made to furnish a good material for the manufacture of glass; and its freedom from impurities renders it peculiarly adapted to use for this purpose. The most important situations in which sandrock, most suitable for this purpose, occurs, are at Jackson, Barry and Concord, Jackson county; also at the village of Marengo, and on the farm of Mr. Bagg, section seventeen, town of Marshall, Calhoun county.

The clays of these counties may be described according to their predominating colors, viz: red, gray and blue clays. The red and gray are by far the most abundant, and may be made to enter largely into use, for economical purposes. By far the

greater portion of these clays is contaminated by the admixture of lime, but since the marly portions of the clay usually form beds in the deposits, the manufacture of bricks, if sufficient care be used to separate the different portions of the mass, is enabled without much difficulty to obtain a clay well adapted for the uses to which it has been applied. The marly portions may readily be known by the application of a simple test, which is always at hand; for if a small piece of clay containing carbonate of lime be thrown into vinegar, effervescence will take place, or, in other words, bubbles of carbonic acid will rise to the surface, and this will take place, more or less actively, according as the proportion of the contaminating marl or lime is greater or less. This simple test, which is within the reach of every individual, may frequently, if applied, save much disappointment and expense.

Blue clay is but rarely seen in these counties. In Eaton county, in township two north, range five west, a blue clay not unlike the clay in the vicinity of Detroit, was penetrated in digging a well to the depth of twenty feet. It contains primary gravel and pebbles.

Boulders.

Numerous water-worn fragments of the primary rocks are found scattered through the counties under consideration. They were noticed as particularly abundant on some parts of the territorial road between Jackson and Marshall; also in the vicinity of the Grand and Kalamazoo rivers. But few of these were of lime or sandstone. Among the lime boulders, a few were seen of several tons weight. They contain numerous fossils characteristic of an older rock than any found *in place* in the south part of this state.

Bog Iron Ore.

Deposites of bog ore occur in limited quantities in many places, its presence being apparent in the highly ferruginous spots of earth. The most extensive deposits were noticed in Pulaski, Jackson county, and at Kalamazoo and Prairie Ronde, Kalamazoo county. In the town of Pulaski, is a bed of this ore, having an area of not far from five acres, and is deposited chiefly near the source of several copious chalybeate springs, on the farm of Isaac N. Swain, section two. The ore is chiefly shot and ochreous, with intermixed masses of ore; the whole being mixed with tufaceous lime. This bed has been examined to a depth of more than five feet without penetrating through the bed. The ore is of a light yellow color, being what is technically known as live ore. It may be easily excavated, having but a slight covering of earth, and is also well situated for the manufacturing of iron, being in the vicinity of hydraulic pow-

er, wood, tufa and sandstone, and is by far the most extensive bed examined in Jackson county.

It may be considered as sufficiently extensive to warrant the erection of a furnace for its reduction.

Ore occurs in the vicinity of *Prairie Ronde*, on section twenty-one, in beds varying from a few yards to several rods in extent, distributed over an area of fifteen to twenty acres, with an average thickness of six inches. It is of a dark color, and rests on peat and tremulous muck or decayed vegetable matter.

Bog Ore of Kalamazoo.

This ore is chiefly of a light yellow color and occurs mostly in masses of several pounds weight, but also in the form of shot and ochre. It occurs in separate beds forming ridges, and these beds vary from a few rods to several acres in extent, over an area which may be estimated at from eighty to one hundred acres. It varies from a few inches to four feet in thickness. This ore is situated on and contiguous to the banks of the Kalamazoo river, and from half a mile to one and a half miles from the village of Kalamazoo. This is the most extensive and valuable deposit of bog ore I have examined in the state. It is well situated and will warrant the erection of an extensive foundry for its reduction. An analysis of one hundred grains of this ore gives the following mean results:

| | Grains. |
|----------------------|---------|
| Peroxide of iron, | 78.45 |
| Silicia and alumine, | 7.95 |
| Carbonate of lime, | 1.10 |
| Water, | 12.50 |

Kidney Iron Ore.

The stratum in which this ore is imbedded appears in the slightly elevated bank of Nottawa creek, on section twenty-four, in the town of Athens, Calhoun county. In character and quality, this ore is not unlike that at Union city, Branch county. The clay in which it occurs is well adapted for the manufacture of brick or pottery.

Gypsum.

Gypsum or plaster, occurs in Kent county, forming the bed and banks of Plaster creek, near the junction of that stream with Grand river. It makes its appearance at two or three places in the banks of the stream. After a careful examination of the surrounding country, I am led to conclude that this mineral exists in distinct beds extending at intervals, over an area of several miles. The precise limits I was unable to define on account of the almost universal covering of sand and gravel, by which it is concealed from view. The beds of gyp-

sum rest upon, or are embraced in the limerock of this district, and are surrounded by a gypsous marl, usually of no very great thickness. The gypsum is of the fibrous variety, and is well adapted to all the uses to which this valuable mineral is applied, and it cannot fail to prove of inestimable value to the agricultural interests of the surrounding country, as well as to the other parts of our state.

ROCKS.

The rocks of the counties under consideration, are not numerous and these are so universally enveloped by the diluvium as to present but few points which allow of satisfactory examinations.

They may here be considered under two divisions; the rocks which overlie or which are associated with the coal, and those which lie below the lowest of the coal beds. The latter division occupies the south part of Jackson, the south part of Calhoun and a large part of Kalamazoo counties; as well as a considerable portion of the adjacent counties on the south, which are comprised within Mr. Hubbard's district, and were examined conjointly with him. As the series comes more fully to view in the latter district, and in order to avoid repetition, it has been deemed advisable so to blend the reports as to leave to Mr. Hubbard the full consideration of all the rocks lying below the coal.

The coal bearing rocks included in the first division, embrace a series of alternating layers or apparently irregular beds of sandstone, shale, coal and limestone, holding the following order of place:

1st. Upper coal strata; consisting of layers of coal, shale and sandstone.

2d. Limestone; found in limited and apparently irregular beds.

3d. Sandstone; light grey and red.

4th. Lower coal strata; embracing as above, alternating layers of coal, shale and sandstone.

These will be treated of separately in ascending order, commencing with the strata which are found *next overlaying* the coarse, quartzose sandrock, mentioned by Mr. Hubbard as occupying the highest place in the series of rocks embraced in his report.

I shall preface my remarks on the lower coal strata, by some observations on the range and extent of the coal formation of this state.

The result of my labors in tracing the extent of the coal basin during the past season, has been more satisfactory than I could have anticipated, when the many obstacles that constantly retard such examinations are taken into consideration.

The thick mass of detrital matter which covers a large portion of the rocks of the coal bearing group, is an effectual barrier to examinations of their character except at those distant points where the several rocks make their out-crop. The rapidity with which many of these rocks disintegrate and become covered with debris not unfrequently so effectually conceals them from view as to leave us in many places ignorant of the underlaying strata, except so far as deductions may be drawn from general principles. These are a few of the difficulties that I have had to contend with in reducing to any thing like accuracy the general results of the scattered local information collected.

In conducting these examinations, I found it necessary to pass over parts of the country previously examined, in order to determine with more accuracy the probable limits of the coal basin.

These examinations have led to the conclusion that the coal basin extends over a much larger area than had before been assigned to it. Most of this basin is so covered with the superincumbent strata of sandstone, sand and gravel, as to prevent the "working" of the beds, at very many points, except by the sinking of shafts for that purpose.

RANGE AND EXTENT OF THE COAL BEARING ROCKS.

The following is the nearest approximation that our present knowledge of the subject can furnish towards the extent of the coal series of rocks in the counties under consideration. The rocks of the coal-bearing group, in their most southerly extension, occur at Napoleon, Spring-Arbor and Concord, in Jackson county; and at Albion, Calhoun county. From thence the line of junction between these and the rock below, passes through the town of Marengo, and the north part of the town of Marshall; thence it continues westerly through the town of Pennfield, into Barry county; through which county the line of junction has not been traced. Rocks of this group are again met with at the rapids of Grand river and its vicinity.

On the east, the group of rocks appears in the towns of Leoni and West Portage, in Jackson county; and in the north-east corner town of Ingham county, in the bed and banks of the Red Cedar river.

Beyond this it has not yet been carefully traced, but its boundary is known to stretch north-easterly across the Shiawassee and Flint rivers, including the village of Shiawassee-town, Corunna and Owasso, within the basin; while the village of Flint, in Genesee county, will probably be found to fall a short distance without, and south-easterly from it; thus bringing within the limits of the coal rocks, parts of Genesee, Shia-

wassee, Ingham, Jackson, Calhoun, Barry and Kent counties, and probably the whole of Eaton, Ionia and Clinton counties.

LOCAL DETAILS OF THE LOWER COAL GROUP.

Jackson County.—In the N. E. corner of the town of Spring Arbor, along the valley of Sandstone creek, the coal makes an out-crop, owing to the removal of the superincumbent rocks, and has only a slight covering of diluvial sand and gravel. This coal was exposed in digging for the foundation of a mill, on section one, and an amount estimated at one thousand five hundred bushels has been raised. The influx of water from the creek prevented those engaged in the work from sinking through the bed; it was, however, penetrated at one point, to the depth of three feet. This coal has been used in smithing, and found to answer a good purpose.

This is probably the lowest stratum of coal in the state. There can be little doubt that the bituminous shale discovered at Jackson, belongs to the lower coal stratum, and that coal might be procured at that place by sinking a shaft.

The embraced beds of coal appear to thin out as we approach the south edge of the basin; thus, a well, three-fourths of a mile north from Spring Arbor, has exposed, at a depth of fifteen feet, the lower bed of coal reduced to a thickness of about nine inches.

Calhoun County.—Although no coal *in place* was met with in this county, the neighborhood of the coal bed is indicated at a few points. Thus, at Albion, I was led to this impression by the presence of its associated sand-rocks, and of coal thrown out of the stream in the bursting of the mill dam on the Kalamazoo, as also by the loose angular bits of coal found imbedded in the soils.

In the town of Pennfield, I observed several large angular pieces of loose coal taken from Battle creek. These evidently had not been transported far, and thus I inferred an out-crop of the coal bed farther up the stream.

Ingham County.—In the north-east corner town of this county, the coal crops out in the banks and bed of Red Cedar river. Here it is embraced in a succession of shales and friable sandstone, which constitute an overlaying bed of from five to ten feet thick. After penetrating to the depth of more than two and a half feet, I was compelled, for the want of suitable implements, to abandon farther investigation, without having ascertained its full thickness. The coal at this point is very accessible, and must, ere long, prove of great importance. It is situated on a stream that may be made navigable for flat bottomed boats and perogues, with comparatively small expense, during a considerable portion of the year, and opening a direct communication with lake Michigan.

LIGHT GRAY SANDSTONE.

The rock found next, superimposed upon the lower coal group just described, is a sandrock, mostly of a coarse quartzose character, and of grey or yellow color. It is distinguished from the quartzose rock further south, and which lies below the coal group, by its containing impressions of the coal plants. It is rather friable when first quarried, but hardens by exposure. In the vicinity of the village of Jackson, clay iron-stone is disseminated through the upper parts of this rock, but not in sufficient quantity to be of any practical value. Impressions of plants, chiefly referable to the genera *Lepidodendron*, *Stigmara* and *Calamities*, together with thin masses of carbonaceous matter, were noticed at quarries both north and south of that village.

It is of this light grey sandstone that the penitentiary and court-house at Jackson, are built.

Numerous kettle shaped excavations, similar to those produced by pebbles when set in motion by the action of a strong current, occur in this sandstone, and not unfrequently at a distance from the river, and at an elevation of some twenty to thirty feet above it. Similar excavation were noticed in the lower sandstone series, at a considerable elevation above the Kalamazoo river, near the villages of Marshall and Marengo, Calhoun county.

This rock occurs more abundantly in such situations as to admit of being economically quarried, in portions of the counties of Jackson, Calhoun, Eaton, Ingham, Shiawassee, Clinton and Genesee. When first quarried it is, as before stated, rather soft, but it soon hardens upon exposure, and forms a durable material for building, when not employed in such situations as to expose it to excess of moisture. In many places it also furnishes a good material for the manufacture of grind-stones.

UPPER LIME ROCK.

This rock usually appears at the surface, in detached beds, extending over an area varying from a few acres to two or three sections in extent, and having a thickness, so far as could be ascertained, varying from one foot to sixteen feet. It is superimposed upon and usually appears near the outcropping edge of the light colored sand rock. This lime rock usually occurs in flat, irregular masses, and with but slight marks of stratification; most of it, when burned, produces a superior lime, and some portions will afford a good building material. The rock is usually of a light grey color, and exceedingly compact, but it varies in composition, some of the thinner portions, partaking of an arenaceous character. Although numerous perforations of *lithodomus molusca* were observed in

the less arenaceous portions of the rock, I was unable to find any perfect specimens of fossils, except in the most sandy portions. The greater number of these were found at Bellevue, Eaton county, and the Grand rapids, Kent county.

This limerock was noticed on the sections designated in the counties as follows :

Jackson County.

Town of Spring Arbor, on section eight, nine, eleven, twelve, seventeen and twenty.

Town of Sandstone, on section thirty and thirty-one.

Parmá, on section twenty-three, in low land.

The limestone was examined on sections one, twelve and thirteen, town of *Jackson*, where it has been extensively used for the manufacture of quick lime.

West Portage. The limestone occurs on sections six and seven.

Eaton County.

The limestone occurs in the town of *Bellevue*, on sections twenty-seven and twenty-eight, where it is extensively burned for quick lime, to supply the surrounding country.

The out-thinning edge of the lime rock was seen superimposed upon a friable sand rock, on section nineteen, town two north, range five west, having a thickness of about twelve inches.

Kent County.

The lime rock is again seen on the west part of the state, at the rapids of Grand river, a point where, judging from the general inclination of the strata, its outcrop would be looked for. It is here identified with the rock of Bellevue, Eaton county, by its contained fossils and composition. Lime is manufactured from the rock at this place, for the supply of the surrounding country.

LOCAL DETAILS OF THE UPPER COAL GROUP.

On comparing the results of my examinations of the two past seasons, it is apparent that the north part of Eaton county, described in my report of last year, and parts of the adjacent counties, are occupied by alternate beds of sandstone, clay shale, coal and argillaceous iron ore, which are wholly wanting in the more southern counties. This gives a greater thickness to the coal basin than had before been supposed, and also proves what has been previously suggested, that the Grand and Maple rivers, and the Tittabawassa and its tributaries, occupy the synclinal line of the state, thus accounting for the most copious saline springs being found through that range of country.

The subjoined sections will serve to show the manner in which the coal occurs, associated with the shales and sandstone in the upper coal group.

Section of rocks near the mouth of Grindstone creek, Eaton Co.

| | Thickness. ft. inch. |
|--|-------------------------|
| 1. Soil, | |
| 2. Brown sandstone, | 8 0 |
| 3. Argillaceous iron ore, | 0 7 |
| 4. Sandstone, | 3 0 |
| 5. Argillaceous iron ore, (in beds,) | 0 5 |
| 6. Slaty sandstone, containing impressions of plants and coal, | 9 0 |
| 7. Coal, | 0 10 |
| 8. Friable slaty sandstone, | 5 0 |
| 9. Coal, | 1 8 |
| 10. Sandstone containing impressions of plants, occupying the bed of Grand river, | |

The strata of this rock are not continuous, but soon blend together, and are seen at no great distance, to embrace thick beds of bituminous clay shale, and thin layers of coal, the whole having a north-east dip.

About one mile from the mouth of Grindstone creek, the coal appears near the surface, having only a thin superficial covering of soil and broken sandstone.

Section of rocks taken on Coal creek, eighty rods above its junction with Grand river.

| | Thickness. ft. |
|--|-------------------|
| 1. Soil, | 6 |
| 2. Sandstone, | 6 |
| 3. Dark blue clay, | 4 |
| 4. Bituminous clay shale, | 2 |
| 5. Dark colored shale, | 2 |
| 6. Blue clay shale, | 6 |
| 7. Dark colored clay shale, | 4 |
| 8. Dark gray shale, embracing beds of coal, extending beneath the bed of the stream, exposing, however, a thickness of | 20 |

The associated shales do not appear to be continuous strata, but only occurring in beds embraced as before mentioned, in the upper portions of the coal series.

Clay shale analagous to this, occurs in township three north, range four west, section twenty-two, in the bed of a small stream. Associated with this clay shale last mentioned, are angular blocks of coal and sandrock.

RED SANDSTONE OF IONIA COUNTY.

This rock is well characterized, and is unlike any other rock met with in my district. It crops out on the south side and in the valley of Grand river, on section twenty-two, (township seven north, range six west) on the land of Mr. Dexter. The rock is of a red color, and composed of quartzose sand, slightly cemented, hardens by exposure, and affords a good building material. The quarry has been but partially opened. I was unable to find any traces of fossil plants.

This rock was again met with in the east of this county and the west of Clinton county, in the bed and banks of Looking-glass river. At this out-crop, the rock is more variegated, being filled with white spots and streaks, but in other respects it is not unlike the rocks previously described.

This rock may be regarded as occupying a place intermediate between the upper and lower coal bearing rocks.

VAN BUREN, ALLEGAN AND OTTAWA COUNTIES.

General Remarks.

The topographical character of these counties varies from that of the counties before described, in comprising no part of the high dividing ridges, and in being included in the more level districts which border on lake Michigan.

The country is high and gently rolling, with the exception of a narrow tract of land on the lake coast; this tract being occupied by a series of recent sand dunes, or hills, varying in height from twenty to two hundred feet. Many of these are composed of sand which is constantly shifting its place from the action of the wind. Such are nearly destitute of vegetation, while others have become stationary, being clad with a stunted growth of pine, and in some instances with oak, hemlock, beech, &c.

These counties are chiefly heavily timbered with pine, beech, maple, lynn, whitewood, ash, hemlock, oak, &c., interspersed with oak openings, plains and pine barrens.

Most of that portion of Van Buren county lying south of the Paw Paw river, and a portion of the eastern townships of Allegan county, consist of oak openings and plains.

SANDSTONE OF VAN BUREN COUNTY.

Sandstone occurs on the line between Van Buren and Allegan counties, in town one south and one north, range fourteen west. It exhibits a very compact texture, is of reddish grey color, and is composed of quartzose sand, with a sparse intermixture of mica. It occupies a slightly elevated knob, having an area of fifteen to twenty acres, and occurs in large angular blocks. As the quarry has not been opened, it was impractic-

cable to ascertain any thing further of importance respecting it, than its composition and general character. I am unable, therefore, to refer to its place in the sandstone series.

CRAIG OR CONGLOMERATE ROCK.

Formations of conglomerate were noticed near the village of Richmond, and on Maskego lake. The conglomerate near Richmond, is apparently extensive, and occupies the sides of deep ravines; in some, appearing not unlike ledges of sandstone, forming mural escarpments many feet in height. From this general resemblance, it has been mistaken by the citizens for the sandstone formation.

It is composed of fine and coarse grains of quartzose sand very strongly cemented with calcareous matter.

The conglomerate of Maskego lake is but slightly elevated above the water, and is composed of coarse and fine sand and pebbles, united with calcareous cement.

This rock, which is of recent formation, resulting from causes now in operation, is of a purely local character, and the circumstances under which it occurs, do not admit of determining its extent.

CLAY.

A red marly clay was observed in Van Buren, Allegan and Ottawa, underlaying a considerable portion of the complete counties, and only making its appearance occasionally at the surface, being mostly covered with sand and gravel, together with some scattered boulders. Clay apparently of the same kind was also seen at the forks of the Maskego river, Montcalm county. This clay bears a strong analogy to that forming the coast of lake Michigan in the vicinity of sleeping Bear, also on the west side of Grand Traverse bay, as mentioned in the report of the state geologist of last year.

This clay has calcareous matters disseminated through it in veins, and is generally free from gravel. It may be considered as belonging to the tertiary deposit, and was the only clay observed in these counties.

Two miles south of the mouth of Kalamazoo river, and at a brick yard half a mile north of the village of Allegan, this clay rests on a blue semi-indurated sand. At this place the clay has a thickness of not far from fifty feet.

Near the village of Richmond it was seen alternating with fine light colored sand. Much of this clay is very unctious and free from grit. This clay was also seen at several places on Maskego lake and rivers, as a sub-soil to a light siliceous soil.

This red marly clay will afford a good manure for the sandy lands.

Sands.

Nearly the whole western coast of these counties in the vicinity of the lake, is bordered with a succession of *sand dunes* or hills of sand.

This sand is chiefly composed of grains of quartzose sand, with a mixture of feldspar, hornblend, magnetic oxyde of iron, &c.

A blue semi-undurated sand, as I have before observed, was noticed underlaying the red marly clay. This sand contains considerable calcareous and argillaceous matter, and is composed of fine grains.

It is to this sand that the rapid abrasion of the lake coast south of the mouth of the Kalamazoo river may be attributed.

LOCAL DETAILS OF MARL.

The great profusion in which this deposit is distributed through the counties of Van Buren, Allegan and Ottawa, is deemed a sufficient reason for noticing only a few of the most extensive deposits.

On sections twenty and twenty-one, half a mile north-east from Mr. Newell's steam mill, on Maskego lake, is a very extensive deposit of shell marl that may be profitably used as a manure on the sandy lands of that vicinity.

Extensive deposits of shell and tufaceous marl, occur in the valley of Kalamazoo river, on sections nine, ten, sixteen and seventeen, township three north, range fifteen west, of more than one hundred acres. Also on sections sixteen and seventeen, township four north, range sixteen west, there is a deposit of shell and tufaceous marl occupying an area of more than seventy-five acres.

A very extensive deposit of marl was examined on sections sixteen and seventeen, township three north, range thirteen west. Some portions of this marl are found to contain too much iron ore to make good quick lime. Care should therefore be had in selecting that portion of the marl which is free from this mineral.

On sections thirteen and fourteen, township two south, range thirteen west, marl of a good quality occurs.

SALINE SPRINGS.

Several saline springs and deer-licks were examined in the valley and vicinity of Maskego river. The most copious springs occur on the low alluvial land of the stream, where at the time of the examinations they were mostly inundated.

On sections three and four, township ten north, range fifteen west, are several weak saline springs, which occur in extensive low lands.

My guide informed me that the Indians were formerly in

the habit of resorting to these springs for the purpose of making salt.

Also, on section fifteen, township nine north, range fifteen west, are several springs that show the presence of saline matter.

On section thirty, township nine north, range eight west, is a spring yielding a very copious supply, and which may be placed in the second class of the saline springs of the state.

The above are a few only of the springs noticed in the country north of Grand river.

BOULDERS.

Limestone boulders of very large dimensions were noticed in the different counties. In township one south, range fourteen west, was observed a limestone boulder of several tons in weight, that had been mistaken by the inhabitants for rock *in place*. It is sub-chrystalline, and of a milky white color, and contains a few imperfect fossils.

Near the mouth of the Kalamazoo river, several very large boulders of blue limestone were noticed, which had been mistaken by the inhabitants for rock *in place*, and a kiln erected for burning of lime. The rock when burnt, furnished fifteen hundred bushels.

Boulders of the primary rocks are more rarely met with in the west part of these counties, than in the more central portion of the state.

Under this head of transported boulders, I would barely refer to the immense accumulation of the central nodular masses of clay iron-stone which occur in the vicinity of Richmond. These masses are found distributed through the soil, and accumulated in the ravines and beds of the small streams.

I have thus laid before you so much of the information collected in the district assigned me, as is compatible with the limits of an annual report, and such as may seem to be of the most immediate practical utility. It being presumed to be the main object of these annual reports to lay before the people of the state such practical results as they may profit by, while the work is in progress, and before the complete embodying of the somewhat disconnected mass of materials in the final report.

C. C. DOUGLASS,
Assistant Geologist.

*Report of B. HUBBARD, Assistant Geologist.**Detroit, January 12, 1840.**To Dr. DOUGLASS HOUGHTON, State Geologist :*

SIR—In compliance with your instructions, my time during the past season, has been devoted to a detailed examination of the southern range of counties, and of so much of the counties east of the principal meridian as could be accomplished before the setting in of winter. The counties completed, and on which I have the honor to submit the following report, are *Lenauee, Hillsdale, Branch, St. Joseph, Cass, Berrien, Washtenaw, Oakland and Livingston.*

A report on the counties of *Wayne and Monroe*, was submitted you last season.

These examinations have embraced the collection of all facts of a geological and agricultural character which could serve to illustrate the capabilities of the soil, and the general wealth and resources of the country.

More than one hundred varieties of soils for future analysis, and specimens illustrative of all the rocks, have been added to the state cabinet.

In connection with these objects, I have been able to fill up the *skeleton maps*, furnished by the state topographer, of each town in the several counties, in such a manner as to afford at once a complete view of the soils, timber and topographical details, courses of streams, village and mill seats, and all recorded roads of the townships; to correct errors in streams and lakes, arising from inaccurate surveys, and to plat a great number of lakes, streams, &c., which were altogether omitted in the notes of the original surveys. These are now in readiness to be applied to the reduced scale adopted for the county maps. When the arduous nature of the labor thus assumed, in addition to that constant attention required by the minute investigations in the geology proper, is considered, I trust you will sufficiently appreciate the difficult character of the work.

You will necessarily perceive, that in a report embracing the investigations made over so extensive a district, it is manifestly impossible to include more than a very small portion of even the purely practical information collected, without swelling the report to a much larger bulk than would at this time be desirable. I have therefore selected the most prominent details only. A transcript of my field-notes will be placed in your hands for such general reference as may be important hereafter, for obtaining greater minuteness and accuracy of information.

TOPOGRAPHICAL FEATURES.

The leading characteristics of the surface of the peninsula, were treated at large in the report of the state topographer, of last year. By reference to that able document, it may be seen at once, what relation the counties mentioned, have to its distinguishing features. "It appears," says his report, "that there is a swell of land which may be called the true *watershed*, running from Pte aux Barques south, 45° west, and passing out of the state into the north-east corner of Indiana, about equi-distant from lakes Erie and Michigan. It attains its greatest elevation in Hillsdale county, seven miles east from Jonesville, where it is 633 feet above the surface of lake Michigan. Its summit, on the central railroad, at the division line between Jackson and Washtenaw counties, fourteen miles east of Jacksonburg, is 437 feet. In the village of Pontiac, in Oakland county, it is 336 feet. It then again rises, and at the head waters of Belle river, in Lapeer county, is 414 feet. From this point it gradually falls off, and with a few rills, descending on its north and eastern slope, sinks to the level of the beach of the lake."

The summit-level of this swell is frequently comprised within two parallel ranges of knobs, or conical hills, generally elevated above the intermediate space, and occasionally taking a somewhat mountainous form; the peaks having an altitude above the actual surveyed levels of 100 to 300 feet. But such peaks occur in the range only at distant intervals.

In the north-west corner of Washtenaw, these parallel ranges are very conspicuous, including a breadth of four or five miles, and have received the name of "Short Hills." The intermediate surface is very rolling and broken, with remarkable basin-shaped depressions. Beyond the ranges of elevated cones which bound the Short hill district, the country continues broken for about a mile, and then subsides to a gently rolling or undulating surface.

Upon this summit level of the peninsula, are situated the greatest proportion of those small lakes, which are so common in the landscape of Michigan, and in these, most of our streams originate.

Similar rolls of land, of much less altitude, but having the same general direction, give an occasional broken aspect to the country for some miles, after descending from the summit. In the main, the surface should rather be classed as undulating than rolling, beyond this peculiar elevated district.

Plains and small prairies, having no apparent order of place, are common, particularly in the counties of the southern range, west of the dividing ridge. Some of these have a perfectly plain surface, as Pigeon prairie; others lie in gentle swells, like

the prairie of Nottawasepe; while others partake of the rolling character of the country adjoining, as do most of the prairies of Cass county.

Extent of Timber.

A continuous tract of heavily timbered country occupies the eastern, and a large part of the southern border of the peninsula. Within this tract, "openings" and plains are found only over limited areas; without it, heavy timber occurs only in isolated tracts.

Commencing on Shiawassee river, the line of timber passes through the southern part of Genesee county, the south-west part of Lapeer, and the western part of Macomb; thence by south-west course through the southern part of Oakland, and eastern of Washtenaw; thence bending westerly, it continues in a very irregular course through Lenawee, Hillsdale and Branch, when it turns to the south and enters Indiana.

A large tract of heavy timber enters the counties of Berrien and Cass, from the west, and skirts the lake through nearly the whole of Berrien.

Soils.

The soils throughout the districts examined during the past season are so varied, as well as so independent of the rock formations, that no classification of them is admissible. The nature of the deposits which constitute their base will be noticed under the observations on the *geology* of these counties.

Extensive collections of soils were made, of which it is designed to give a systematic analysis when the collections of all the soils of the state shall be complete. Many of these soils have the appearance of barrenness, which, from the salts contained, are, nevertheless, eminently fertile, and unrivalled for the production of the grains most important to man.

Scenery.

The stern rules of science may seem to compel the geologist to take little note of the merely picturesque features of the landscape, yet called as he is to view them in their wildest character, he cannot be altogether insensible to the grandeur and majesty, or the variety and bloom of nature. The sublime mountainous scenery of the eastern states has been often and justly dwelt upon with admiration, by both the geologist and the traveler. Little of the peninsula scenery partakes of the grandeur of primitive and more broken districts, but none can fail to notice one superior charm, which more than compensates, in the eyes of those who are content to overlook the romantic aspect of the land, for the consideration of its solid bounties. To the cultivator of the soil every consideration which its picturesque character presents, will yield before the more practical one of its fertility.

But few could have traversed the varied portions of our state, over which my duties during the past season have led me, and compare their rich scenery with that of more eastern lands, with any feeling of disappointment. The ordinary character of the "openings" is that of a majestic orchard of state-ly oaks, which is frequently varied by small prairies, grassy lawns and clear lakes. These magnificent groves were, until within a few years, kept free from under-brush by the passage through them of annual fires, allowing successive growths of herbage to spring up luxuriantly, covering the surface with a profusion of wild flowers and verdure.

The variety so essential in a landscape, of woodland, glade and sheets of water, are here combined in a manner which seems the result of art, but which is not less truly inimitable. It is difficult to resist the impression that we are surveying an old abode of civilization and of tasteful husbandry. It resembles those exquisite pictures of park scenery, where the vision roams at will among the clumps of lofty oaks and over open glades, gemmed with flowers; while the distant woodland bounds the horizon, and the velvet-skirted lake gleams upon the eye as it reflects to light from the open prairie, or is faintly visible from the bosom of the glen, reposing in silent loneliness.

Such scenes, it is true, are destitute of the rough majesty of mountain aspects, but they have that all-pervading, tranquil *beauty* which forsakes the lofty hill side and the hoary cliff. They present nature in her simple loveliness, without her stern aspect and masculine attire. She has bestowed her blessing upon the land, and spread over it her robes of beauty.

The limits of an annual report, prevent more than this very meagre notice of some of the characteristics of our peninsula scenery.

GEOLOGY.

Before entering on a description of the geological structure of the southern counties of our state, it may be useful, for a more general comprehension of the subject, to premise a few leading facts relative to the geology of the western states generally.

It is well known to those acquainted with the geological character of the states west of the Alleghanies, that a large portion of that vast country, designated as "the valley of the Mississippi," is limerock,—the transition, or sub-carboniferous limestone of European geologists. This extensive rock formation may here be traced over more than a million square miles.

A distinguishing feature, and one which gives character to this whole country, results from the fact that this and its super-incumbent rocks have been thrown, by some uplifting force,

from a horizontal position, and made to assume the form of vast undulations, like wave following wave. Several immense and distinct basins are thus produced, the sides of which *dip* towards the centre, but at an angle so small as seldom to exceed the fraction of a degree. This characteristic basin form is still farther preserved by the circumstance that frequently the overlaying rocks, (which embrace the carboniferous formation, or *coal measures*,) have been removed from the ridges of these wave-like undulations, or at least are found occupying only the interior of the basins. In following, therefore, from these ridges of limerock in direction of the dip, we come successively upon the next overlaying rock, till we reach towards the centre, the highest rock of the series.

It must not hence be inferred, that the topography of the country always conforms to this basin-like condition. On the contrary, the centre of the basin may be either higher or lower than the extremities, or be cut across by streams, or present an irregular and hilly aspect. The dip and order of succession of the rocks, however, remains the same.

We have thus premised so much of the grand features of the geology of the great valley country, as to render intelligible to the general reader, the remarks which follow, on the rock formation of the above named counties.

Great difficulty has been experienced in conducting the details of geological examinations, necessary for arriving at general results, from the circumstance of the face of our rocks being almost universally covered with a thick mantle of diluvium. This diluvium consists in part, of the detritus of the upper portion of our coal series, which has been broken up and washed away, and in parts, of sands and fragments of the primary rocks, transported from a more northerly region. Owing to this, the rocks of the carboniferous group but seldom make their appearance at the surface, and the country being little broken by ravines or deep water courses, the outcrop of the rock is not frequent even where we would be led most to expect it. On this account, I have been compelled to inquire out and examine the deepest wells, and the most important results have been obtained in this rather unsatisfactory manner. This circumstance has not only prevented my defining the variety of rock strata with perfect accuracy, but renders it not improbable that strata which actually exist *in place*, were not discovered, in consequence of the thick covering of transported materials. Thus, the rocks which intervene between the great limerock formation and the iron formation of the carboniferous series, (including the shale stratum and sandstones of the Ohio geologists, and the black slate and limestones of Indiana,) are either entirely absent from the southern border of

the coal basin of Michigan, or were not visible after the strictest search.

With this qualifying observation, I shall proceed to a brief description of the strata, as far as they could be determined, within the district assigned me.

I. LIMEROCK.

The limerock of the south-eastern part of the peninsula, and whose outcrop is seen on the western coast of Lake Erie, is a portion of the great formation described above. Its place is higher in the series than the blue limestone and shales of Cincinnati, but below the black slate, and without doubt is equivalent in position to the "cliff limestone," of Indiana. Inland from the lake the limerock makes outcrops at numerous points, which are found to be in distinct ranges, having a direction north-east and south-west, across the counties of Monroe and Wayne, and dipping north-westerly.

That portion which occupies the more easterly range is a compact rock, of a color varying from light grey to blue, sometimes veined and occasionally oolitic, and is well characterized by its distinctive fossils. In some portions of it crystals of sulphate of strontian are abundant.

The highest portion of the limerock formation, seen through the western part of Monroe county, is somewhat sparry, geodiferous and bituminous, and characterized by a few fossils of different species.

Intermediate between these two portions of the formation, in this county, is a very siliceous rock, approaching in some instances almost to pure sandstone. It is composed of quartzose grains, easily disintegrating into a beautifully pure and white sand.

As the limerock of Monroe and Wayne was fully described in my report on those counties, of last year, I shall avoid a repetition of *local details*.

Economical considerations.

It will be perceived, by reference to the report alluded to, that this portion of our state affords a very great abundance of limestone for several important practical purposes.

Quick-lime is extensively made and supplies the wants of this section of country. The limestone which occupies the highest range, (and from which lime is made extensively in the Macon reservation,) has been described as strongly *bituminous*. This character of the stone, owing to a chemical action which takes place in the kiln, renders it very superior for the above purpose. When brought to a red heat, the carbonaceous matter begins to re-act on the carbonic acid, which is a constituent of

limestone, and converts it into carbonic oxide, which having no attraction for lime is driven off, leaving the lime of a pure white, and perfectly caustic, with less consumption of fuel and in less time than is required by any other limestone. Being porous, it falls into an exceedingly fine powder by water or exposure ; a quality which renders it particularly valuable to the farmer or builder.

Water-lime. By experiments made "in the small way," it appears highly probable that some of the strata in the limerock quarried near Monroe, (which holds the lowest place in the limerock series described,) may be tolerably well adapted for a *hydraulic lime*. Should this conclusion be verified by trial in a larger way, this stone will prove of very great importance to the state. For this purpose, the dark blue and the vesiculated or oolitic strata will probably be found best adapted; and in making the experiment, these should be separated and admitted into the kiln without intermixture of other portions.

Ornamental limestone. Some of the strata at these quarries are of dark color, and finely veined, like marble; they receive a good polish, and were the beauty of the material better known would, no doubt, be extensively used for chimney slabs and other ornamental purposes.

Sand for glass. I would again refer to the singular purity and value of the bed of white sand, occasioned by the disintegration of the very friable, siliceous limestone which is included in the intermediate portion of this series of limerocks, and which has been noticed in former reports. This bed is mostly pure silex, and under the microscope, will be seen to consist of perfect quartz crystals, free from any foreign or coloring materials. No sand in the state is so well adapted to the manufacture of glass, and for this purpose it may well be considered unrivalled. Viewing the wants of the state, in this respect, and the eligible situation of this material, six miles from the city of Monroe, this subject is strongly commended to the enterprise of our citizens.

II. KIDNEY IRON FORMATION.

In passing west from Monroe county, no rock is met with through the whole of Lenawee, it being completely overlaid and concealed by diluvium, and those thick beds of clay, which in part cover the rock in Monroe county, and over nearly the whole of Wayne, to a depth of more than one hundred feet. These blue and yellow clays are presumed to be analogous to those which cover the limerock of the adjoining states, and which have been designated by Dr. Hildreth, of Ohio, as "semi-tertiary deposits." They are found almost universally to envelope the limerock in this state as far as to the commence-

ment of the sandstone series. The great accumulation of all these several deposits may be conceived, when it is stated that a rise of two hundred feet is attained, after leaving the lime-rock in Monroe county, before rock in place is again discoverable.

The clay of the kidney iron formation, is first met with at the very southern extremity of the coal basin in Hillsdale county, town seven south, range four west. Following thence along the westerly border of the carboniferous series, the formation is to be found occasionally over limited areas, through towns six and seven south, range four west, Hillsdale county, and towns six south, range five and six west; and towns five south, range six and seven west, Branch county. In the former county, it is found in close proximity to the overlaying sandstone, but in the latter with a considerable interval between, and generally in limited bodies, which appear to be but relics *left in place*, after the destruction and removal of the greater part of the formation.

The ore consists of nodular masses, formed of concentric coats or layers of iron, combined with lime and alumine, and surrounding a hard nucleus which frequently contains fossils. These masses are often of many pounds weight. They are imbedded in a gray, micaceous clay, of very fine grain, and frequently so hard as to have the appearance of compact sand-rock. They are in general arranged in strata, alternating with the beds of clay, but are often found dispersed through the mass. This ore is analogous to that which is worked extensively and with profit in Ohio.

The clay is very free from lime, and of even texture. It is in consequence admirably adapted to all purposes of the kiln or pottery, and is far superior to any found elsewhere in the state.

As a portion of this formation, in Branch county, was made the subject of a special examination, in accordance with an act of the legislature of last winter, it will be unnecessary for me to add any thing to those practical considerations which will be as fully exhibited by you, as their importance demands.

No means were presented for ascertaining the thickness of this formation. At the village of Branch, it has been penetrated in a well, twenty-three feet.

III. FOSSILIFEROUS, FERRUGINOUS SANDSTONES.

Next overlying the clay and ironstone, in Hillsdale county, succeeds a series of ferruginous sandstones, containing numerous marine fossils. Though classed in the so called "carboniferous formation," these all occupy a position below the lowest of the coal beds, and a short distance below their associated

sandrock, which present impressions of plants of the carboniferous era.

The following table will exhibit the order and succession of the several strata, so far as could be determined, in descending order.

Succession of rock strata, in Hillsdale county, occupying the southern border of the coal basin of Michigan, below the coal beds.

| | | Thickness. |
|----|---|----------------|
| 1. | Coarse, quartzose, yellowish gray sandrock; occupying elevated sides of knolls. A good material for grindstones,..... | 30 feet. |
| 2. | Ash colored or brown sandrock, sometimes contains fossils,..... | 15 feet. |
| 3. | Dingy green, fine grained, strata. Occasional fossils, and with yellow ferruginous spots,..... | 40 feet. |
| 4. | Hard, gray stratum of sandrock, 6 inches to | 1 foot. |
| 5. | Dingy green, fine grained, interstratified with slaty sandstone, and apparently with blue clay shale,..... | 15 to 20 feet. |
| 6. | Yellow fossiliferous sandrock. Abounds in marine fossils,..... | 20 feet. |
| 7. | Green, fine grained sandrock; perhaps.... | 10 feet. |
| 8. | Clay and ironstone,..... | 5 |

The stratum designated as *yellow, fossiliferous*, is remarkably well characterized, being almost a perfect congeries of fossils. The whole is of a deep brownish yellow, and sometimes a buff color. The same stratum is met with, as appears by the notes of Mr. Douglass, in tracing down the western side of the basin, in the banks of Kalamazoo river, in Calhoun county, and at a level two hundred feet lower than the same rock in Hillsdale. This difference in level, shows a dip northerly not exceeding six minutes of a degree. But this result may be considered as less than the actual amount, from the fact of the two points not being in the true direction of the dip.

No stratum precisely analogous to this has been mentioned in the reports on the corresponding formations of the adjoining states.

By reference to the general topography of the state, it will be seen that the extreme southern termination of the sandstone series, has an elevation several hundred feet higher than any other part of the basin yet examined. This may account for the superior thickness and inclination of the rocks at this point, and for the circumstance of the clay and ironstone making its outcrop here. In consequence of the greater uplift at this

point, several of the series are brought to the surface, which elsewhere are entirely concealed, owing to their more nearly horizontal position.

Most of the sandstones have been used for ordinary building purposes. The coarse grained rock (No. 1,) is usually found eligibly situated for quarrying, and is well adapted both for building and grindstones. Ledges of this rock occur in the town of Somerset, section seven, and Moscow, section twenty-nine, and are numerous through the southern part of Jackson county.

The included stratum, No. 4, (which is reached in general only in wells,) owing to its superior hardness, serves admirably for the above purpose.

The whole thickness of the sandstones, below the lowest of the beds which embrace coal plants, will be found to exceed one hundred and sixty feet.

IV. TERTIARY AND DILUVIAL DEPOSITES.

It has been already remarked that in general all the rocks are covered with a mantle of clays, fine detritus of the lime and sandrocks, or loose water-worn fragments of still older rocks, swept from the north by the current of a universal ocean and deposited during the general subsidence.

Some evidences of the direction of these currents were noticed in my report of last year. Among these are the diluvial furrows and scratches on the surface of the lime rock, the appearance and direction of which correspond with observations made in some of the more eastern states.

The extensive deposits of blue and yellow gravelly clays, which immediately covers the lime rock in Wayne and Monroe counties, were found also to occupy the whole of the eastern slope of the peninsula. Except in the border counties, these are overlaid by sand and gravel, to a depth probably often exceeding one hundred feet.

A corresponding clay was found bordering lake Michigan, through Berrien county, and is said to reach far out into the lake at its southern extremity.

Pertaining to, or associated with these universal deposits, are beds of clay, erratic masses of primary, transition and secondary rocks, and the more recent formations of marl, tufa, peat and bog-iron ore. To these I shall devote some separate practical considerations.

Clays.

The extensive blue and yellow clays which next overlie the limerock, are in general very gravelly, and contain also a large proportion of carbonate of lime; the blue in particular effervescing strongly in acid. It is, therefore, not well adapted for

the kiln. The upper, yellow or brown clay is the least marly and is better suited to brick manufacture. The beds are often stratified and portions may be found more nearly free from this injurious ingredient.

The presence of carbonate of lime may be detected by dropping a small bit of the clay into an acid, (strong vinegar will answer,) when, *if the clay be marly*, effervescence ensues, occasioned by the decomposition of the carbonate of lime and escape of the *carbonic acid*, which is always combined with the lime. In this way it will often be easy to distinguish such portions of a bed as do not contain lime in sufficient quantity to impair their fitness for ordinary purposes.

Beds of clay, of a few feet thickness, are often found alternating with strata of gravel and sand among the diluvium, and similar beds, occupying acres of limited extent on the surface, are frequent in the sandy soils of the openings. The latter seldom exceed a few acres in extent and generally are of much smaller dimensions, with a thickness rarely exceeding four feet.

These isolated beds of clay are almost universally *free from any injurious proportion of lime*. In this particular, they are superior to the clays above mentioned, for making a durable brick. These beds are, however, very siliceous, and indeed, partake of all the intermediate conditions, from a stiff clay to merely an agglutinated sand. Proper precautions are not always observed in this particular; for notwithstanding that sand often constitutes by far the largest constituent, an additional supply is not uncommonly added in the process of manufacture, almost to the total destruction of the adhesive property of the material. I may here observe, that *in general, these surface beds contain, without artificial mixture, sufficient sand* to subserve their purpose in the manufacture of bricks.

Erratic, Fragmentary Rocks.

Boulders of the primary rocks are found in great numbers, lodged upon the more elevated and broken parts of the country, and imbedded in the diluvial gravels. They comprise a great variety of granites, quartz and hornblende. The hilly region of Ann Arbor affords a fine locality for procuring a set of almost every variety found in the state.

Large fragments of limestone are occasionally to be met with, which have been disrupted from the transition and carboniferous limerocks of the peninsula. The largest masses of these were found near the summit of the great dividing ridge, on its eastern declivity. Several masses in the town of Somerset, Hillsdale county, are of such extent as to be easily mistaken for rock *in place*; portions only being visible from be-

neath the imbedding deluvium. I became convinced, however, by the associated fossils, that they belong to an older formation than the carboniferous rocks of the vicinity.

Boulders of this rock are so numerous in some parts of the country as to afford almost the supply of lime needed for the district.

Masses of native copper, some of several pounds weight, have been found in Berrien and Cass counties, as also in the valley of Grand river, and in several other portions of the state. These belong to the "*erratic group*," and are *no evidence of the existence of the ore* in their immediate vicinity.

The same remark will apply to the pieces of bituminous coal, found very generally, through certain districts, imbedded in the diluvium. Though they may be found at various depths and in considerable quantities, no prospect can hence be inferred of finding *coal beds* in any of the counties embraced in this report.

Springs and underground Water Courses.

The character of the diluvial strata is so varied over different districts, and the formation of surface so diversified, (which might give origin to springs under every variety of circumstances) that it is impossible to establish any general rule governing the depth and directions of underground water-courses.

Water from the diluvial deposits is usually obtained in strata of quicksand or gravel at very varying depths. But after ascertaining the general characteristics of the surrounding country, some judgment may be formed over particular districts.

A stratum of quicksand producing water, is very generally found immediately overlying the great clay deposits. In the blue clay, at the depth of twelve to twenty feet, a stratum of gravel, yielding a supply of water, appears to be almost universal.

Owing to the calcareous matter contained in the diluvial gravels and sands, as well as in the clays, the water of wells is commonly "*hard*."

RECENT FORMATIONS.

Conglomerate.

In the county of Berrien some very extensive formations of this singular rock occur. They are of recent origin, compared with all the other rocks, and both in age and formation, may be classed with the marls and tufas. A stratum of gravel, cemented with lime, appears to be very universal throughout this county, at depth of a few feet, and extensive masses,

strongly cemented, are frequently found exposed in the faces of ravines and banks of streams, appearing like ledges of rock in place.

At Millburg, eight miles east of St. Joseph, a rock of this description was traced along the bank of Blue creek, for half a mile. In appearance, it is a continuous ledge of very hard sandrock, varying in thickness from ten to fifteen feet. It consists of coarse sand, cemented by the infiltration of carbonate of lime, unbroken by seams, and which has become exceedingly hard on exposure. It may be quarried by blasting, in blocks of any required dimensions, dresses with facility, and will answer admirably for many economical purposes.

About two miles north-east of Berrien, this rock was seen under similar circumstances, in the bank of a small creek, forming an outcropping ledge, exceeding eight feet in thickness. It is found also at several points higher up the stream, and in the sides of hills in the vicinity. Portions of this ledge are of finer grain than that at Millburg, having a stratified appearance, and are disposed to cleave horizontally. Blocks have been removed and used for fire-jambs; in which capacity they have stood the test of two years' service.

Similar formations occur in town three north, eight west, section twenty-four, in town of Oronoko, at Singer's lake, and in the deep ravines east of New Buffalo. At the latter places the rock bears more the appearance of crag, being composed mostly of coarse pebbles.

The conglomerate, at all these places, is in isolated masses, of local origin, and probably does not extend many feet into the hill sides. Quarries will, therefore, eventually be found to *run out*.

"Hard pans," which may be referred to a similar origin, are not uncommon among the diluvial strata even at considerable depths. The cementing material is not unfrequently, in part, a carbonate or hydrate of iron.

A hard pan, of which the cement is no doubt lime, is found to be an almost universal sub-stratum to the rich loam of the prairies. To it the fertility of those soils may, in a great measure, be ascribed, since it serves to retain the moisture which would be quickly swallowed by the porous sands.

Possibly this fact may aid in illustrating the origin, as well as the fertility, of the prairies. This sub-stratum is not commonly met with in the openings.

Marl, or bog-lime and Tufa.

That variety of the mineral which is here designated by the name of *marl*, is chiefly a *carbonate of lime*, or lime combined with carbonic acid. It is frequently argillaceous, and mixed with earthy and carbonaceous matters. Throughout the coun-

ties enumerated, this mineral is found only in connection with the gravels, sands and clays which overlie the rocks, and may be defined as an alluvial deposit from waters which have percolated soils charged with lime. On reaching the surface, the water parts with a portion of its carbonic acid, and becomes no longer capable of holding the lime in solution, which is then deposited in the form of a pulverulent, chalky substance, in the beds of lakes or beneath the peat of marshes.

As carbonate of lime is a constituent of the covering of molluscos animals, these circumstances are favorable to the collection of great numbers of shells, so that these not unfrequently constitute even the main portion of the bed itself, which may then receive the name of "*shell marl*."

That form of lime which is called *tufa*, has a similar origin. It differs in external character, being hard, light and porous, and is that which is familiarly known as "*honey-comb lime*." This characteristic difference is the result of circumstances, not of composition. *Tufa* is formed in situations which allow access of air, when a strong union of the particles takes place. *Marl* being always deposited under water, or beneath the peat of bogs, the surrounding fluid prevents cohesion. This condition is that which is very commonly designated as "*bog-lime*."

Thus, according to circumstances, we find a variety of forms assumed by these deposits, from a "*tufaceous marl*," in which the particles have but partially cohered, to a hard "*tufa*," or *travertin rock*, appearing as ledges in exposed hill sides.

All these recent fresh water limes exist in great abundance in most of the counties enumerated, as well as throughout the interior of the state. In the northern part of Hillsdale, and the counties of Washtenaw and Oakland, in particular, so extensive and universally distributed are the beds of this useful mineral, that an attempt to ascertain and enumerate all the places in which it exists, is unnecessary, if not impossible.

But notwithstanding its wide distribution, the uses, and even the existence of this mineral are so little known or heeded, even by those who have most reason to appreciate its value, that I shall adventure some remarks upon its application to practical purposes, and the method of ascertaining its presence.

For making *quicklime*, the value of *marl* and *tufa* is already appreciated in those parts of our state which, like the counties under review, are nearly destitute of *limerock*. Consequently these have supplied the deficiency, and been applied to all the purposes of the best rock lime. Though somewhat inferior in strength, the lime thus obtained is even preferred for particular purposes. It is said, for instance, to be preferable as a wash, owing to its superior whiteness. Its real value is frequently underrated from its not being sufficiently burned; *marl*

being erroneously supposed to require a less degree of heat than limestone.

Some of the largest deposits of tufa I have met with are formed along the banks of the Huron valley, between Ypsilanti and Dexter, at several of which, large quantities of lime are manufactured.

The circumstances which may give rise to the formation of either tufa or shell-marl, where the same source of supply exists, is here finely exemplified. Ledges of tufa occupy the elevated side of the valley; while copious springs discharging from its foot, occasion a peat morass between it and the river, beneath which is a body of soft marl several feet in thickness.

Impressions of leaves and branches of trees, and even bones of animals, are numerous in some portions of the tufa, these substances having evidently served as *nuclei* around which the particles of lime were deposited from the water of the springs; thus both giving an interesting character to the bed and illustrating its formation.

The use of marl in agriculture is little appreciated, and may even be said to be wholly unknown to the great body of the farmers of our state. Hitherto so small has been the demand for stimulant manures by soils that have been for a few years only in the service of agriculture, that few farmers have brought themselves to reflect whether before many more years, the new soils they have adopted may not become like the old ones they have forsaken.

But, although many of our soils are even found to improve under the first few years of cultivation, they must eventually wear out under a process which gives no returns for the demands made upon them. This result is already becoming perceptible upon the older farms, and their cultivators are brought to the necessity of husbanding manures to renovate their exhausted soils. Considerable quantities of gypsum (plaster) are annually imported and used with most obvious success upon soils that have not been half a dozen years under cultivation.

Gypsum and marl are constituted of the same basis, *lime* under different states of combination: *sulphate of lime*, (sulphuric acid and lime,) composing the former; *carbonic acid and lime* composing marl and the other carbonates. The sulphate, possessing greater stimulant properties, has a somewhat different and more speedy operation, but it is doubtful whether its effect be either so decided or so lasting as that of marl, if applied in the required proportion. I have to regret the inability to institute such a comparison of their several operations upon our soils as could be desired, having been unable to learn of a single instance of a fair trial of marl in the state. Notwithstanding, I do not hesitate to urge its use with full confidence, upon all

who can be persuaded to make use of so simple a means to sustain their soils.

Besides the stimulant property common both to gypsum and the carbonate of lime, in giving increased activity to vegetation, the lime effects a change in the character of the soil itself. No soil can be considered perfect without a large proportion. Lime enters largely into the composition of many crops; such as *wheat*, which it is well known vegetates most vigorously where this abounds, as in many of the gravel and limestone soils. While a farther advantage results from the decomposition of the marl, in consequence of the separation of the animal matter contained in the shelly portions of it. In short, gypsum can hardly be productive of benefit where *marl* might not be profitably applied. Add to this, what comes home to the reason of every farmer, that while he must pay for *imported plaster* at the average rate of twenty dollars per ton, the *marl* may be had for digging.

Nature, ever bountiful, has indeed laid up in those marshes and ponds which seem, at first appearance, almost valueless, a provision of incalculable worth for her future maintenance. It may well be considered an untold treasure, stored close at hand, costing little to procure, *requiring no preparation of grinding or burning*, and which will be resorted to for years to come, to sustain and replenish the fertility of our soils. In applying this manure, we do but restore to the soil that with which it was originally endowed, since the soils themselves, supplied the material of the marl beds. These seem left by nature for future restoration by the art of man, and apparently with design, are deposited in greatest abundance in the vicinity of those siliceous soils upon which they will be most needed.

If even the enormous price paid for plaster is never regretted, most certainly I may be allowed to urge the simple experiment of giving a fair trial to so cheap an article as the marl. By such actual experiment, every man, for himself, will best learn the proportions which his soils need, as well as the comparative results. Trial will, at least, furnish a satisfactory test of the truth, and we feel the more inclined to urge it from the fact, that if successful, nothing in the whole range of agricultural economy will exhibit more strongly the policy of availing ourselves of our native resources.

After this recommendation of marl, it may be expected that I advise under what circumstances to look for it. Marl is frequently to be recognized by its light ash color, about the margin and occupying the shallows of lakes. In general, the marl which is most easily obtainable, will be found overlaid by *peat* or muck of the marshes, often at a depth of several feet. Sometimes its presence, under these circumstances, is indicated by a slight coating of lime visible upon the vegetation on the

surface. The *growth* of the marl bed often causes the overlying bog to swell up into a protuberant form. But such indications are not always visible, and then trial may be made by thrusting down a pole or rod through the peat, when sufficient of the marl, if there be any, will adhere, usually, to make known its presence.

Every farmer ought to examine well his marshes with this view, and if there is reason to believe marl exists there, to test the question fully by digging.

It may be advisable to raise the marl in the fall and subject it to the action of the winter's frost, in order to bring it to a pulverized state previous to use upon the land.

Peat.

This *combustible* is found in very great abundance in most of the marshes. It is that which supports the luxuriant crop of grasses they afford, and is itself a mass of grass roots and half decomposed vegetation. This variety of peat is called *fibrous*. It is so universally distributed, and in such quantity, that my notice of it will be in general terms.

Most of the beds of peat, in this state, are comparatively shallow, seldom exceeding four feet in thickness, and they in general want that compactness which is esteemed a requisite in the peats adapted for fuel. I shall, therefore, allude only to its value and application as a *manure*.

Few soils will indure many years continued cultivation without requiring to be replenished, not altogether with mineral manures, such as gypsum and marls, but with those vegetable or animal products which afford the real sustenance to its crops. The time will just as surely come when the soils of our own state, though now fresh and unexhausted, will need the same support. The farmer will then rejoice at the opportunity to procure manures of this description, and I do not hesitate to say that *peat* will then rank among the most prominent, as it is now the most abundant.

Peat being almost wholly a mass of vegetable matter, affords precisely that which is yielded by the most fertilizing manures. But as found, it is in a more or less undecomposed state, and consequently not in that condition in which alone plants can receive it, to be absorbed into their substance. Should it be spread as a manure is often applied, its dry, spongy fibres will not readily become converted into that soluble matter which is required by the conditions of vegetable organization. To exact its full benefit, then, some art seems necessary. In the absence of actual experiment, such as would most properly determine the mode of its application, I shall only suggest the simplest means. The compost heap affords the readiest process for effecting those chemical changes which are necessary

to convert peat into nutriment for vegetation. This will be facilitated by an intimate mixture of animal and other refuse matters, and of marl or lime. With the latter the vegetable substance of peat enters into new combinations, forming certain soluble salts, which are then ready to be taken up as food by plants.

We have already seen how frequently peat and marl are found in connection, and in what abundance the latter may be procured. In peat and marl combined, we have, therefore, all that could be required to make of those numerous marshes which intersect the country, immense receptacles of vegetable nutriment. The lime performs to the mass of raw organic matter of the peat, the office which the cook does to the larder. Conjoined, they furnish both provision for the nourishment of plants, and the means for preparing it.

Some contrariety of opinion exists on the use of calcareous manures, (gypsum and limes,) from the supposition that they eventually wear out the land, leaving it poorer than before. Now such a result may happen from either of two causes, neither of which implies any injurious quality in the mineral.

1. From the too excessive use of this manure, or its application to soils, the composition of which was not understood, and where lime may have already formed an abundant element.

2. From the use of mineral manures solely, under the mistaken supposition that *they* furnish the necessary nutriment to vegetation. Now, as has just been shown, these chiefly serve to *prepare* the food which has been furnished from other sources. So far from supplying the place of vegetable and animal manures, they only render necessary fresh supplies of the latter. By giving increased activity to vegetation, they of course cause a quicker consumption of the fertilizing principles. It will thus very easily be seen from what mistaken practice this "impoverishing of the soil," by the use of mineral manures, results, and also where may be found the proper corrective.

Bog Iron Ore, and Ochre.

All our bog ores are a product of the diluvial or alluvial deposits, the mineral being originally contained in the ferruginous sands or clays. It is taken up in solution by rain-waters, and afterwards, like the marls, deposited in low grounds.

Sands highly ferruginous, and beds of sandy *ochre*, of a bright red or yellow color, are not uncommon, though in general of small extent. Some considerable beds were observed in Lenawee county, ranged along the east side of the *ridge* or beach of the former lake, (which will be hereafter noticed,) and in the same manner as we often find *iron sand* washed up and deposited by the waves. A little west of Palmyra, one of these de-

posites stretches along the beach ridge for a half a mile, having a width of a few rods, and a thickness of eighteen inches.

After much fruitless examination during the past season, I became convinced that no formations of ore exist in the counties examined, which will compare in extent with those from which iron is manufactured in Indiana, near the border of this state. Beds of it, indeed, occur, some of which may be considered as of practical value.

Although the kidney ironstone makes its appearance at several points which might have been deemed favorable to the depositing of a bog ore, resulting from the mineral in those beds, none was found associated with it. I was led to search for bog iron in this vicinity, more particularly from the circumstance that a mixture of the two forms of ore is usually made at the kidney ore furnaces, in order to facilitate smelting. Some deposits of bog iron in the southern part of Branch county, in fractional town of Algansee, are of sufficient extent to be valuable for this purpose, should a furnace be established, at the kidney ore beds of that county. One of these deposits was traced over more than an acre.

Along St. Joseph river, in St. Joseph county, small beds of ore and ferruginous sands were found, and also in town five north, range ten west, section nine. These are mentioned, as they may be of value from their vicinity to the beds of kidney iron in this part of the state. But should it be ascertained that the chief benefit of a mixture of the two ores results from the carbonate of lime supplied by the former, the *marl beds*, which abound throughout this district, will furnish a ready and cheap flux to facilitate the operations.

The most considerable beds of bog iron ascertained during the past season, were in *Oakland county*. The following are worthy of notice:

In the town of Lyon, section thirty, a good lively ore is found, occupying in the whole, several acres.

Town of Orion, section twenty-four, deposits were traced at intervals over an extent of twenty acres. The richest and most abundant form of the ore was in the state of a yellow ochre.

In the town of Groveland, numerous beds of ochre are collected around the heads of Duck creek, and are frequent over an area of half a square mile.

In *Washtenaw county*, bog ore has been found at several places in town of Augusta, and considerable beds of red ochre in town of Sharon.

The ochres may serve a very good purpose as an ordinary red or yellow paint. This may be obtained in a cheap manner, thus: stir the sand in water, then after allowing a few

minutes for the siliceous grains to settle, pour off the liquid and obtain the colored sediment which is held in suspension.

ANCIENT LAKE RIDGE.

At about twenty-five miles, inland, from the shore of lake Erie, and following a nearly parallel course to the lake and Detroit river, a *low, gravelly ridge* may be traced, corresponding in its character to that upon which the celebrated "ridge road" runs, along the southern shore of lake Ontario. Except where broken through by streams, this ridge is very continuous, and of nearly uniform size; so much so indeed, that I have been able, without difficulty, to distinguish it from all ordinary undulations of surface at whatever point it has met my observation, and to trace its course for more than sixty miles.

The ridge has a breadth of several hundred feet, and rises with a gentle curve into a somewhat conical form, to the average height of about twelve or fifteen feet above the flat lands on the lake side. It is composed of layers of coarse and fine gravel and beach sand, reposing upon the clays which constitute the sub-soil of the contiguous country.

From its resemblance to the beaches bounding the waters of the present lake, as well as from the relative character of the country on either side, no doubt remains in my mind that this ridge once constituted the boundary of an immense expanse of water, which became afterwards circumscribed to the dimensions of the present lakes.

The ascent of the land on the lower or lake side is much more gradual and uniform than on the upper, and the "ridge" may be said to form here a boundary to that belt of level country which borders the peninsula. This belt of land, as already described, is mostly clothed with a dense growth of timber, and a dividing line drawn between this and the light growth of the sandy openings very nearly corresponds with the course of the ridge.

The elevation of the ridge, its uniformity, and the gravel of which it is composed admirably adapt it for a highway. Roads have consequently been run upon it through a large part of its course in Wayne county, bearing north-east and south-west, from the village of Plymouth, and also through town of York in Washtenaw county, to Ridgeway in Lenawee.

Divergences sometimes occur in this ridge, like those described by Mr. Hall, in the geological report of New York, for 1838, and the branches again unite; or after being diverted by the valleys of entering streams, it again resumes its former general parallelism to the present shore of the lake.

The state topographer of Ohio, Col. Whittlesy, mentions the fact of a "succession of low, gentle undulations, like a broad turnpike or wave, running parallel to the shore" of lake Erie,

in that state. He says they vary in number from one to three, and are distant from the shore from half a mile to five miles, and he supposes that they differ in height from ninety to one hundred and twenty feet above the lake.

"External appearances," he remarks, "certainly indicate that the waters of lake Erie once stood one hundred feet higher than at present; but there is not as yet, evidence enough to decide this interesting question. It would be difficult to find natural barriers for a sea which should have elevated itself to that height."

From a series of levels, taken during the surveys of the public works of Michigan, I have ascertained the ridge to have here a *uniform elevation* of one hundred and seven or one hundred and eight feet above lake Erie, which, it will be perceived, agrees nearly with the estimate of Mr. Whittlesy. The uniformity of this elevation furnishes an additional proof of its having once been coincident with the level of the lake waters.

The proof of a former submergence of this whole country, are so abundant that the general fact seems well established. It is also plain that this *ridge* could not have been formed during that turbulent state of the waters which brought upon the rock-covered surface of the country its immense deposit of diluvium, but must have resulted from a quiescent state of the waters.

Let us then, for a moment, consider "this interesting question" solved, and proceed to inquire how far the results to which we are brought by the supposed elevation of the lake waters, one hundred and seven feet above the present level of lake Erie, accords with repeated observations made throughout the lake region. Supposing the characteristics of the land to have been relatively the same as now, the great lakes, which at present are but links of a connecting chain, would become merged in one immense irregular sea; their breadth being increased many miles on either side, while their connecting bands are lost in the wide expanse. The northern part of our peninsula becomes an island, or separated by only a narrow neck across a wide frith, following the valleys of the Saginaw and Grand rivers. The western and eastern tier of counties are flooded, and the Maumee country as far as Fort Wayne. West of lake Michigan, the spread of the waters is still wider; embracing, perhaps, with the exception of some islands, more than half of Wisconsin, and the whole of the immensely broad valleys of the Illinois, Ohio and Mississippi rivers. Upper Canada assumes the form of an island in the wide spread waste. The roar of Niagara is drowned beneath the rolling billows of a broad and deep inland ocean, having a breadth at this point of more than sixty miles. While stretching off to the east, the

waters involve a great share of Lower Canada, the whole of the Genesee country of New York, with most of its chain of lakes, and a communication is made with the ocean, both by way of the St. Lawrence, and the valley of the Mohawk.

It will be apparent, then, that the great "basin of the St. Lawrence," within which all the present basins of the lakes are included, as well as the immensely broad and fertile "valley of the Mississippi," become one continuous sea, in which whatever of the present land remains are as islands in the deep.

The difficulties which oppose this supposition are, the almost unlimited supply of water required to furnish a basin of such extent, and the want of barriers to confine its discharge into the ocean. But one theory presents itself competent to solve difficulties of such magnitude. The supply of water must have come from the ocean itself. Consequently, the surrounding and interior seas must have had the same level, and the greater elevation of the lakes relatively to the surrounding land was the result not of their increased *actual* elevation, but of the actual diminished elevation of the land itself. In other words, the land has been subsequently subjected to an upheaving force, which at last has elevated the whole far above the influence of the sea.

Whether the upheaving of the land was general at this era, throughout the continent, or was mainly operative in the region of the lakes, probably cannot be satisfactorily determined. It may be competent, however, to suppose that these apparent "lake ridges" were the boundaries of the ancient sea formed during intervals of rest in the upward tendency of the land. The comparatively quiet state of the elements, and the greater length of time for which the waters covered the extent described, will satisfactorily account for the uniformity of surface which characterizes the country bordering on the present lakes and those vast plains of the west, which were subjected to the same influencing circumstances.

There are, however, some reasons for concluding that a part at least of this area *was occupied by fresh water*, and to this supposition we shall advert hereafter.

There also exist strong reasons for supposing that the relative levels of the land did not every where remain the same, or that disproportionate elevations took place. Thus appearances warrant the supposition that at several points barriers existed to that free communication which I have assumed of the water of this inland sea with the Atlantic. If we suppose the great Appalachian range of mountains, at any of the points where it meets the St. Lawrence, to have once formed a barrier to that river, a communication through from the ocean in that direction would have been cut off. The "up-

lifts" at Little Falls, which rise 147 feet higher than lake Erie, and the "highlands" of the Hudson might also have interposed barriers to an outlet across the state of New York. A single communication only would then exist with the ocean, viz: through the valley of the Mississippi. That the lakes once discharged their waters in this direction, such additional evidence is furnished by the appearance of the country, that in this our argument, but serves to add confirmation to the general opinion.

There is further reason to suppose that a barrier has existed across the strait of Mackinac, cutting off lake Michigan, and perhaps lake Superior, from the lower lakes. Now if we supposed that the erection of this barrier, or the continuance of that elevatory movement, closed up the communication by way of the Mississippi valley, a body of water would remain, filling nearly the whole "basin of the St. Lawrence," and receiving constant accessions from the streams which discharge into it. At this period, we may conclude the rocky barriers of the Mohawk and Hudson, unable to resist the enormous pressure of the accumulating volume, gave way, discharging the surplus waters with tremendous violence, and thus opening a passage for the present great channels of water communication with the ocean, through the state of New York.

Subsequent to this event, the continued uplifting of the land, or the bursting of the barrier of the Alleghanies, opened a passage for the waters through their present outlet of the St. Lawrence, when lake Erie and the upper lakes subsided to about their present levels. Then, for the first time, their accumulated waters, confined by the valley of the Niagara, rushed over its "wave-worn precipice," producing that stupendous cataract, which now seems likely, for ages, to emit its unceasing thunder.

The "lake-ridge," of New York, may be considered as the shore of Ontario, after this *parting of the lakes* had taken place, and must necessarily be of subsequent formation to those of lake Erie. A still further progress of the elevation afterwards, alone, would reduce that lake to its present level, without affecting the levels of the upper lakes.

It is not our design, nor would it come within the scope of this report, to discuss the prime causes of these great changes. We rest here on the assurance that it involves no principle which a geologist, at this day, will deny. A fact is mentioned by Prof. Emmons, in the first geological report of New York, which has so immediate a bearing on the principle here made use of, that I cannot refrain from alluding to it. It is this—"That the waters of the St. Lawrence are declining, or do not appear at so high a level now as formerly, or, what is about the same thing, *the country is rising.*" "The possibility of such

a change," he justly remarks, "can no longer be doubted, since it is clearly proved that portions of the continent of Europe are now undergoing the same change. Norway is gradually rising, and Greenland is gradually sinking." Similar phenomena are also taking place on the western coast of South America. Other facts relevant to this subject might be introduced, connected with the earthquakes in the Mississippi valley, had I not been already enticed to greater length than may seem called for in this place.

It may be added, that the unusually marked character of the ridge on the west end of lake Erie, is a consequence of the even surface and extent of the limerock, and its overlying clays, which here form its base. It may be doubted whether any similar ridge, at least so distinct, may be traced over the more broken country which circumscribed the eastern limits of the waters in New York.

LAKE ALLUVION.

The facts and suppositions above stated, lead to several important conclusions in determining the alluvial deposits of the peninsula.

Under the name of *diluvium*, were classed all those alternating deposits of sands, gravels and clays, which envelope the upper rock formations of the peninsula. As we descend from the more elevated interior, and come within that area which I have supposed circumscribed by the waters of the ancient lakes, a different character of surface and of soil, prevails. The great deposit of blue and yellow clays, since they underlie and extend beyond the ridge, must be of a date anterior to the era under consideration. Nor do they seem to have been much disturbed during that comparatively quiet state of the waters. An evident disarrangement, however, took place among the more loose sands and gravels, which assumed the character of *alluvion*; being subjected to a less disturbed and longer continued action than the diluviums, and deposited with fewer inequalities of surface. This alluvion consists, in the main, of a covering of sand, or of sand ridges, with the underlying clays outcropping at intervals. Boulders are thinly dispersed, and few local beds of clay are found, like those embraced in the diluvium. Most of this alluvion is clothed with a dense growth of timber.

Similar results from the same cause are found strikingly exemplified in the state of New York, over an area described by Mr. Vanuxem as occupying "a portion of Oneida, the northern part of Madison, Onondaga and Cayuga, and the western and southern portions of Oswego." The area included within these limits will be found to correspond with that which I have supposed occupied by the waters when raised to the assumed

level. "Were the whole of this ancient level or area," he adds, "stripped of its alluvial materials, we should find that the surface presented a lake bottom, appearing as though Ontario and Oneida once had a higher level, their waters uniting and covering the whole surface."

Very important practical conclusions are drawn by Mr. Vanuxem, from these facts.

It is in this *alluvion* that we find buried trunks of trees, the remains of the mastodon, and fresh water shells, and I am not aware that any of these have been found, under similar circumstances, in the diluvial deposits.

Instances in our state, though rare, are all confirmatory of the position assumed. Bones of the mastodon were two years since found on the Paw Paw river, in Berrien county, beneath twelve feet of sand and gravel. A few of these are preserved in the state collection. In the same manner, trees may be seen imbedded in the gravel which overlies the clays on St. Clair river, at the foot of lake Huron, and at a depth of ten to twenty feet from the surface. The discovery of *fresh-water shells* under similar conditions, has been made in Saginaw county, and elsewhere in this state, and in the Niagara valley, at a height far above the present stream.

We do not by any means consider these facts conclusive that this inland sea was one of *fresh water*, nor do we see much difficulty in the way of so important a conclusion. If such was the case, the *barriers* which cut off the influx of the ocean must have existed during the quiescent state of the waters. For, had the present passages to the ocean been then open, no such accumulation of *fresh water* could have taken place; but we must necessarily suppose the inland sea to have been at the same level with the briny Atlantic. Assuming our theory of the erection of these barriers, as proposed above, we may then conceive the uplifting of the continent to have been still in progress, until the whole became elevated far above the influence of the ocean, and could receive accessions only from fresh water streams.

In conclusion of this subject, the aspect of the surface throughout this region, seems to indicate *three great eras* since the formation of the newest rocks:

1st. After the elevatory process had commenced, and land appeared above the surface of the ocean. At this period many of the secondary and tertiary rocks were removed by the agitation of the waters, and the whole covered with that mass of disrupted fragments of rocks of all ages which constitute our *diluviums*.

2d. When the upheaving force became stationary, at long and successive intervals, or when the elevation of mountain ranges had erected barriers against the influx of the ocean.

During this period lake *alluvions* would be forming over the area then occupied by the waters.

3d. The era of the present levels; which commenced after the increasing pressure had burst passages successively through the opposing barriers, occasioning sudden subsidences of the waters.

Thus we may suppose that the lakes assumed their present forms in successive order, beginning with the most elevated, until finding their final passage through the St. Lawrence, the chain, as now existing, became complete.

Thus, (whichever assumption be correct,) the "lake ridge" becomes a *record* of one of those great changes which the surface of our world has been ever undergoing, to fit it for the habitation of man.

The extent of the district gone over during the season's survey, has compelled me to confine this report, in the main, to general observations. No apology, therefore, it is conceived, will be necessary, for the omission of the innumerable details collected, very many of which might be deemed of practical importance, and which are fully laid before you in the returned field notes.

BELA HUBBARD,
Assistant Geologist.

Glossary, containing most of the technical terms used in these reports.

Alluvial. The adjective of Alluvium.

Alluvion or Alluvium. Recent deposits of earth, sand, gravel, mud, stones, peat, shell banks, shell marl, drift sand, &c., resulting from causes now in action. This term is generally applied to those deposits in which water is the principal agent.

Alum rock. Rocks which, by decomposition, form alum.

Amorphous. Bodies devoid of regular form.

Amygdaloid. A trap rock which is porous and spongy, with rounded cavities scattered through its mass. Agates and simple minerals are often contained in these cavities.

Anthracite. A species of mineral coal, hard, shining, black and devoid of bitumen.

Anticlinal. An anticlinal ridge or axis is where the strata along a line dip contrariwise, like the sides of the roof of a house.

Arenaceous. Sandy.

Argillaceous. Clayey.

Augite. A simple mineral of variable color, from black through green and gray to white. It is a constituent of many volcanic and trappean rocks, and is also found in some of the granitic rocks.

Avalanche. This term is usually applied to masses of ice and snow which have slid from the summits or sides of mountains. It is now applied to slides of earth and clay.

Basalt. One of the common trap rocks. It is composed of augite and feldspar, is hard, compact, and dark green or black, and has often a regular columnar form. The Palisades of the Hudson show the columnar aspect of trap rocks. The Giant's causeway is cited as an example of basaltic rocks, and the columnar structure is there very strikingly displayed.

Bitumen. Mineral pitch, which is often seen to ooze from fossil coal, when on fire.

Bituminous Shale. A slaty rock, containing bitumen, and which occurs in the coal measures.

Blende. Sulphate of zinc. A common shining zinc ore.

Bluffs. High banks of earth or rock with a steep front. The term is generally applied to high banks forming the boundaries of a river, or river alluvions.

Bog Iron Ore, Ochre. A variety of ore of iron which has been deposited by water. Chiefly in low, wet ground.

Botryoidal. Resembling a bunch of grapes in form.

Boulders. Erratic group. Lost rocks. Rocks which have been transported from a distance, and more or less rounded by attrition or the action of the weather. They lie upon the surface or loose in the soil, and generally differ from the underlying rock in the neighborhood.

Breccia. A rock composed of angular fragments cemented together by lime or other substances.

Calc Sinter. A German term for depositions of limestone from springs, and waters which contain this mineral in solution.

Calcareous Rocks. A term synonymous with limestones.

Calcareous Spar. Crystallized carbonate of lime.

Carbon. The combustible element of coal.

Carbonates. Chemical compounds containing carbonic acid, which is composed of oxygen and carbon.

Carbonic Acid. An acid gaseous compound, incapable of supporting combustion, and deleterious to animal life. It is common in caves and wells, and many incautious persons lose their lives in consequence of descending, without first ascertaining its presence by letting down a lighted candle. Man cannot live where a candle will not burn freely.

Carboniferous. Coal bearing rocks. This term has been applied to formations belonging to an ancient group of secondary rocks which contain coal. The term is now used in a more

enlarged sense, and may be applied to any rocks containing coal.

Chalybeate. Impregnated with iron.

Chert. A siliceous mineral, approaching to chalcedony, flint and hornstone. It is usually found in limestone.

Chlorite. A soft, green, scaly mineral, slightly unctuous.

Chloritic Slate. Slate containing chlorite.

Clinkstone. A slaty feldspathic or basaltic rock, which is sonorous when struck.

Cleavage. The separation of the laminae of rocks and minerals in certain constant directions. They are not always parallel to the planes of stratification, but are often mistaken for them.

Coal formation. Coal measures. These terms are considered synonymous, and refer to the great deposit of coal in the older secondary rocks, which has been called the "independent coal formation." There are, however, deposits of carbonaceous matter in all the geological periods, and several of them might also be called coal formations.

Conformable. When strata are arranged parallel with each other, like the leaves of a book, they are said to be conformable. Other strata lying across the edges of these may be conformable among themselves, but *unconformable* to the first set of strata.

Conglomerate, Crag or Puddingstone. Rocks composed of rounded masses, pebbles and gravel cemented together by a siliceous, calcareous or argillaceous cement.

Cretaceous. Belonging to the chalk formation.

Crop out and out crop. Terms employed by geologists and mining engineers, to express the emergence of rock, in place, on the surface of the earth at the locality where it is said to crop out.

Crystalline. An assemblage of imperfectly defined crystals, like loaf sugar and common white marble.

Delta. Alluvial land formed at the mouths of rivers.

Denudation. A term used to express the bare state of the rocks over which currents of water have formerly swept, and laid the rocks bare, or excavated them to form valleys of denudation.

Deoxidize. To separate oxygen from a body.

Detritus and Debris. Broken and removed portions of rock which have been operated upon by waters or the atmosphere; frequently transported by currents to great distances.

Dykes. A kind of vein intersecting the strata, and usually filled with some unstratified igneous rock, such as granite, trap or lava. These materials are supposed to have been injected in a melted state into great rents or fissures in the rocks.

Diluvium and Diluvion. Deposits of boulders, pebbles and

gravel which many geologists have supposed were produced by a diluvial wave or deluge sweeping over the surface of the earth.

Dip. Where strata are not horizontal, the direction in which their planes sink or plunge, is called the direction of the dip, and the angle of inclination, the angle of dip.

Dolomite. A magnesian limestone belonging to the primary class. It is usually granular in its structure, and of a friable texture.

Dunes. Sands raised into hills and drifts by the wind.

Earth's Crust. The superficial parts of our planet which are accessible to human observation.

Embouchure. From the French, signifying mouth or entrance, (of a river.)

Eocene. The strata deposited during the oldest of the tertiary epochs, as, for example, the Paris basin.

Estuaries. Inlets of sea into the land. The tides and fresh water streams mingle and flow into them. They include not only the portion of the sea adjacent to the mouths of rivers, but extend to the limit of tide water on these streams.

Exuvia. In geology, fossil remains.

Fault. A dislocation of strata, at which the layers on one side of a dyke or fissure have slid past the corresponding ones on the other. These dislocations are often accompanied by a dyke. They vary from a few lines, to several hundred feet.

Feldspar. One of the simple minerals, and, next to quartz, one of the most abundant in nature.

Ferruginous. Containing iron.

Fluvialile. Belonging to a river.

Formation. A group of rocks which were formed during a particular period, or which are referred to a common origin.

Fossils. The remains of animals and plants found buried in the earth, or enclosed in rocks. Some of these are but slightly changed, others are petrified, and the organic replaced by mineral matter; some have decayed and left the impression of the bodies, while others have been formed by mineral matter deposited in the cavities left by the decay of the organic body. These last are called casts. The term petrification is applied to those cases in which organic matter has been replaced by mineral substances. The form and structure of the original body both remain. In casts, the external form alone is preserved. Fossils are also called

Fossiliferous. Containing organic remains.

Galena. An ore of lead composed of lead and sulphur.

Garnet. A simple mineral, which is usually red and crystallized. It is abundant in most primitive rocks.

Gneiss. A stratified primary rock, composed of the same

materials as granite, but the mica is distributed in parallel layers, which give it a striped aspect.

Geode. Geodiferous. Geodes are small cavities in rock, generally lined with quartzose or calcareous crystals.

Geology. A science which has for its object to investigate the structure of the earth, the materials of which it is composed, the manner in which these are arranged, with regard to each other; and it considers the action of all natural causes in producing changes, such as the effects of frost, rain, floods, tides, currents, winds, earthquakes and volcanoes.

Economical Geology refers to the applications of geological facts and observations to the useful purposes of civilized life.

Granite. An unstratified rock, composed generally of quartz, feldspar and mica, and it is usually associated with the oldest of the stratified rocks.

Graywacke, Grauwacke. A group of strata in the transition rocks; but the term has been so indefinitely applied, that other names will probably be substituted.

Greenstone. A trap rock, composed of hornblende and feldspar.

Grit. A coarse-grained sandstone.

Gypsum. A mineral composed of sulphuric acid and lime, and extensively used as a stimulant manure, and for making stucco and plaster casts, &c. It is also called plaster of Paris.

Hornblende. A mineral of a dark green or black color, and which is a constituent part of greenstone.

Hornstone. A siliceous mineral, approaching to flint in its character.

Hydrography. A science which considers the waters of the globe, principally as relates to navigation, tides, currents, soundings, charts of coasts, &c.

In situ, In place. In their original position, where they were formed.

Kidney Ironstone. A variety of ore of iron which receives its name from the somewhat kidney shaped masses in which it occurs. It accompanies the rock of the *carboniferous group*.

Laminae. The thin layers into which strata are divided, but to which are not always parallel.

Lacustrine. Belonging to a lake. Depositions formed in ancient as well as modern lakes, are called lacustrine deposits.

Landslip. It is the removal of a portion of land down an inclined surface. It is in consequence of the presence of water beneath, which either washes away the support of the superincumbent mass, or so saturates the materials, that they become a slippery paste.

Line of Bearing, is the direction of the intersection of the planes of the strata with the plane of the horizon.

Linear survey. A plan of surveying adopted by the United States government, by which the public lands are divided into rectangles, by straight lines.

Lignite. Wood naturally carbonized and converted into a kind of coal in the earth.

Littoral. Belonging to the shore.

Loam. A mixture of sand and clay.

Magnetic Meridian. A great circle passing through or by the magnetical poles of the earth; to which the compass needle if not otherwise hindered, conforms itself. This "line of no variation," is not stationary, but shifts eastward or westward of the true meridian, during a term of years.

Mural Escarpment. A rocky cliff with a face nearly vertical like a wall.

Mammillary. A surface studded with smooth small segments of spheres like the swell of the breasts.

Mammoth. An extinct species of the elephant.

Marl. By this term an argillaceous carbonate of lime is usually implied. By custom, its signification is much more extended, and means mineral substances, which act as stimulating or fertilizing manures. There are clay marls, shell marls, and various others.

Marly Clay. Clay containing carbonate of lime.

Mastodon. A genus of extinct fossil animals allied to the elephant. They are so called from the form of the grinders, which have their surfaces covered with conical mammillary crests.

Matrix. The mineral mass in which a simple mineral is imbedded, is called its *matrix* or *gangue*.

Mechanical origin, Rocks of. Rocks composed of sand pebbles or fragments, are so called, to distinguish them from those of a uniform crystalline texture, which are of chemical origin.

Mica. A simple mineral having a shining silvery surface, and capable of being split into very thin elastic leaves or scales. The brilliant scales in granite and gneiss, are mica.

Micaceous, in part composed of scales of mica.

Mica Slate. One of the stratified rocks belonging to the primary class. It is generally fissile, and is characterized by being composed of mica and quartz, of which the former either predominates, or is disposed in layers, so that its flat surfaces give it the appearance of predominating.

Miocene. One of the deposits of the tertiary epoch. It is more recent than the *ocene*, and older than the *pliocene*.

Mollusca. Molluscous animals. "Animals such as shell fish, which, being devoid of bones, have soft bodies."

Mountain Limestone. "A series of limestone strata, of which the geological position is immediately below the coal measures, and with which they also sometimes alternate."

Muriate of Soda. Common salt.

Naphtha. A fluid, volatile, inflammable mineral, which is common in volcanic districts, and in the vicinity of the salt springs of the United States.

New Red Sandstone. "A series of sandy and argillaceous, and often calcareous strata, the prevailing color of which is brick red, but containing portions which are greenish grey. These occur often in spots and stripes, so that the series has sometimes been called the variegated sandstone. The European, so called, lies in a geological position immediately above the coal measures."

Nodule. A rounded, irregular shaped lump or mass.

Ochre. See bog iron.

Old Red Sandstone. "A stratified rock, belonging to the carboniferous group of Europe."

Oolite, oolitic. "A limestone, so named, because it is composed of rounded particles like the roe or eggs of fish. The name is also applied to a large group of strata characterized by peculiar fossils."

Organic Remains. See *Fossils*.

Orthoceratite. The remains of an extinct genus of molluscous animals, called Cephalopoda. The orthoceratites are long, straight, conical chambered shells.

Out-crop. See *Crop out*.

Out-liers. Hills or ranges of rock strata, occurring at some distance from the general mass of the formations to which they belong. Many of these have been caused by denudation, having removed parts of the strata which once connected the out-liers with the main mass of the formation.

Oxide. A combination of oxygen with another body. The term is usually limited to such combinations as do not present active acid or alkaline properties.

Palaeontology. A science which treats of fossil remains.

Peat. A product resulting from the accumulation of vegetable substances, found in marshy places, in a partially decomposed and sometimes compact state. Peat may be *fibrous*, *ligneous*, &c.

Pisolite. A calcareous mineral, composed of rounded concretions like peas.

Pliocene. The upper, or more recent tertiary strata. This group of strata is divided into the older and newer pliocene rocks.

Petroleum. A liquid mineral pitch. It is common in the region of salt springs in the United States.

Porphyry. A term applied to every species of unstratified rock, in which detached crystals of feldspar are diffused through a compact base of other mineral composition.

Productus. An extinct genus of fossil bivalve shells.

Plastic Clay. One of the beds of the Eocene period. The plastic clay formation is mostly composed of sands with associate beds of clay.

Primary Rocks. Those rocks which lie below all the stratified rocks and exhibit no marks of sedimentary origin. They contain no fossils, and are the oldest rocks known. Granite, hornblende, quartz and some slates belong to this division.

Pudding Stone. See *Conglomerate*.

Pyrites. A mineral composed of sulphur and iron. It is usually of a brass yellow, brilliant, often crystalized, and frequently mistaken for gold.

Quartz. A simple mineral, composed of silex. Rock crystal is an example of this mineral.

Rock. All mineral beds, whether of sand, clay or firmly aggregated masses, are called rocks.

Sandstone. A rock composed of aggregated grains of sand.

Schist. Slate.

Seams. "Thin layers which separate strata of greater magnitude."

Secondary Strata. "An extensive series of the stratified rocks, which compose the crust of the globe, with certain characters in common, which distinguish them from another series below them, called primary, and another above them, called tertiary."

Sedimentary Rocks. Are those which have been formed by their materials having been thrown down from a state of suspension or solution in water.

Selenite. Crystalized gypsum.

Septaria. Flattened balls of stone, which have been more or less cracked in different directions, and cemented together by mineral matter which fills the fissures.

Serpentine. A rock composed principally of hydrated silicate of magnesia. It is generally an unstratified rock.

Shale. An indurated slaty clay, which is very fissile.

Shell Marl—Fresh water Shell Marl. A deposit of fresh water shells, which have disintegrated into a grey or white pulverulent mass.

Shingle. The loose water-worn gravel and pebbles on shores and coasts.

Silex. The name of one of the pure earths which is the base of flint, quartz and most sands and sandstones.

Siliceous. Containing silex.

Silt. "The more comminuted sand, clay and earth, which is transported by running water."

Simple Minerals. Are composed of a single mineral substance. Rocks are generally aggregates of several simple minerals cemented together.

- Slate.* A rock dividing into thin layers.
- Stalactite.* Concreted carbonate of lime; hanging from the roofs of caves, and like icicles in form.
- Stalagmites.* Crusts and irregular shaped masses of concreted carbonate of lime, formed on the floors of caves, by deposits from the dripping of water.
- Stratification.* An arrangement of rocks in strata.
- Strata.* Layers of rock parallel to each other.
- Stratum.* A layer of rocks; one of the strata.
- Strike.* The direction in which the edges of strata crop out. It is synonymous with *line of bearing*.
- Syenite* and *Sienite.* A granite rock, in which hornblende replaces the mica.
- Synclinal line* and *Synclinal axis.* When the strata dip downward in opposite directions, like the sides of a gutter.
- Talus.* In geology, a sloping heap of broken rocks and stones at the foot of many cliffs.
- Tertia Strata.* "A series of sedimentary rocks, with characters which distinguish them from two other great series of strata—the secondary and primary—which lie beneath them."
- Testacea.* "Molusious animals, having a shelly covering."
- Tepid.* Warm.
- Thermal.* Hot.
- Thin out.* Strata which diminish in thickness until they disappear, are said to *thin out*.
- Topography.* The description or delineation of the varieties of surface, and whatever else relates to the general exterior character of a country.
- Transition rocks.* A series of rocks which lie below the secondary and next above the primary; and are so called because they seem to have been formed at a period when the earth was passing from an uninhabited to a habitable condition. They contain numbers of characteristic fossils.
- Trap—Trappean rocks.* Ancient volcanic rocks, composed of feldspar, hornblende and augite. Basalt, greenstone, amygdaloid and dolomite, are trap rocks.
- Travertin.* "A concretionary limestone, hard and semi-crystalline, deposited from the water of springs."
- Tufa calcareous.* "A porous rock, deposited by calcareous waters on exposure to air, and usually containing portions of plants and other organic substances incrustated with carbonate of lime."
- Tufaceous.* A texture of rock like that of tuff.
- Tuff, or Tufa.* "An Italian name for a volcanic rock of an earthy texture."
- Unconformable.* See conformable.
- Veins.* Cracks and fissures in rocks filled with stony or me-

talic matter. Most of the ores are obtained from metallic veins.

Zoophytes. Coral sponges and other aquatic animals allied to them.

[No. 8.]

Report of the State Geologist, relative to the improvement of the State Salt Springs.

OFFICE OF STATE GEOLOGIST,
Detroit, January 6, 1840.

To the Honorable Senate,

and House of Representatives of Michigan:

In compliance with the requisitions of an act approved January 28, 1839, directing the state geologist to "continue the works already commenced at the state salt springs," I would respectfully beg leave to submit the following report:

The details of the plan adopted for the improvement of the state salt springs, (so far as such details were deemed important,) were laid before you in a previous report; and a repetition of such details being at this time unnecessary, I would refer you, for information on that subject, to the report from this department, dated January 7, 1839.

Immediately upon the receipt of instructions to continue the work under consideration, (which had been partially suspended,) it was recommenced, and steps taken preparatory to the erection of such machinery as would be required to carry into effect the design of the act.

A conditional contract was early made with a mechanic residing at Kanawha, Virginia, competent to conduct the practical part of the boring, who had stipulated to complete to the extent of the estimates, at a certain rate per foot; the state to furnish all such machinery as should be required in carrying forward the operations. Under this contract I had hoped to complete, with less trouble and expense than otherwise could have been done, a considerable portion of what had been directed to be performed. This contract, I regret to say, was not complied with, upon the part of the contractor, in consequence of assigned fears as to the health of the country; a circumstance which operated unfavorably upon the work since it had given rise to delay, and after which the adoption of a course totally different from that originally intended, became necessary.

I had already made a journey through portions of Ohio, Pennsylvania and Virginia, for the express purpose of examining the character of improvements adopted at the salines in those states, as well as for the purpose of contracting for the improvements contemplated in our own. The failure of the contractor, as above stated, to fulfil his contract, left me in a situation of great embarrassment, which was much increased in consequence of the difficulty of procuring competent persons to take charge of the mechanical part of the labor.

The duties which my office, as state geologist, has required me to perform, have been of so onerous a character, that a *personal* direction of the improvements in progress at the salt springs was impossible, unless accompanied with a complete relinquishment of the *legitimate* duties of my office. Thus, during the past season, the progress of the geological survey made it necessary for me to devote nearly three months of my time upon surveys in progress on the northern peninsula, several hundred miles distant from the salt springs, and under such circumstances that it was impossible for me to visit them during that time. And even while engaged in the survey of the southern portions of the state, the duties were such as to prevent my taking that personal supervision of the mechanical portion of the work, which could have been desired. The work was necessarily left in charge of superintendents; and the fact, that I was almost constantly in the field; and at such points, that it was difficult, and at times impossible, to communicate with these superintendents, for weeks, and even months together, has rendered the trust a subject of very great embarrassment. It has also served to retard, in a measure, the progress of the works, for the reason that delays have occurred, in awaiting answers required, to communications requiring action where any considerable expense would be involved.

These facts are presented at this time, to enable you more fully to appreciate the manner in which the *attached* duties connected with the improvement of the salt springs, have conflicted with the legitimate duties of my office. In fact, I may say, that the duties arising from an attention to the mechanical part of the work at the salt springs, are almost incompatible with a faithful discharge of the other duties assigned me. These representations are not made in a spirit of complaint, but from a firm conviction of the impossibility of the performance of both trusts in a manner which will best subserve the interests of the state.

Since the date of my last report on the condition of the state salt springs on Tittabawassee river, sufficient additions have been made to the buildings to render the situation of the workmen employed, comfortable; a carpenter's shop, blacksmith's shop, and engine house have been erected, a steam en-

gine set up and put in successful operation, and nearly the whole machinery required for the operation of boring is upon the ground. The work at these springs, in consequence of their distant situation from settlements, has rendered a considerable expenditure for boats, &c., for the transportation of materials and provisions, necessary, as also the purchase of many articles, which, under other circumstances, would not have been required. The expense incident upon the transportation of the more bulky articles of provisions and forage for cattle, induced me to cause these articles to be raised upon the ground, and the result has shown the course to have been an economical one.

In continuing the shaft commenced at this place, much difficulty has been encountered from the influx of water; but the condition is such that this difficulty may now be easily overcome by properly sinking tubes. All is in readiness to progress with rapidity, and the whole outlay for materials having been involved, the remaining expense of completing the work will be comparatively small. A quantity of wood is also on hand, nearly if not quite sufficient to supply the engine for the completion of the work.

At a depth of little less than fifty feet, a considerable vein of salt water was opened, but so intermixed with veins of fresh water, as to make it impossible to determine the absolute quantity of saline matter contained in it. This mixed water was nevertheless found to contain nearly double the amount of salt that is contained in the waters of those springs in the vicinity of the shaft. Although this water, is not of sufficient strength to admit of its economical use for the manufacture of salt, it nevertheless serves to add confidence to the hope before expressed, of eventual success in obtaining the object sought, if the plan proposed be carried out.

At the salt springs, on Grand river, a steam engine has also been set up, and is nearly in readiness for operation; the necessary buildings have been erected, and the works secured by the erection of a dock, which is, however only partially filled. The great mass of machinery and implements required for completing the boring are already on hand.

The sinking of a gum, (upon the same plan as that adopted at Kanawha, Virginia,) has been commenced, and the gum is settled within about three feet eight inches of the rock. The great influx of water rendered the sinking of this gum exceedingly difficult, but this portion of the work is now so far completed, that little difficulty can occur in fully commencing the operation of boring.

Much delay and considerable loss were sustained in consequence of the destruction, by fire, of a building erected for a blacksmith shop, in which tools and some machinery were stored.

red; a loss which was felt the more severely for the reason that we were compelled to supply the place of the articles so destroyed with others procured in Detroit, thereby giving rise to much delay and expense. This fire is supposed to have originated from the hand of an incendiary.

...In consequence of the embarrassments existing in the internal improvement fund, it became necessary to suspend operations in the month of September. This suspension of work would have taken place at an earlier day had not duties connected with the geological survey, prevented my visiting the salines during the interval which elapsed from June to September; that space of time having been devoted to work upon the northern peninsula.

The necessity for this suspension, I trust, can be appreciated; but occurring at the time and under the circumstances it did, it cannot be considered otherwise than exceedingly prejudicial to the interest of the improvements under consideration. The main portion of the preparatory expense had been involved; persons had been brought from a distance to carry forward the work, and that point was just reached where the expenses would have been comparatively trifling.

...At each of the salines, a man is left in charge, on a very limited pay, to preserve the machinery from injury, as well as to prevent loss from other causes.

The chief portion of the machinery having been completed, and the materials for the continuance of the work being on hand, the amount required to bring it to a close will be comparatively small. An estimate of the amount required has been attempted, but the data before me are so unsatisfactory, that I have deemed it unnecessary to lay the estimate before you at this time.

In connection with this subject, I cannot withhold again referring to the embarrassment which a failure to receive the instalments of the appropriation has caused, for I have been compelled, so far as was in my power, to provide means from my private resources, to comply with the spirit of the contracts entered into. This difficulty, added to the onerous character of the other and *principal* duties assigned me, have rendered this portion of my *attached* duties a constant source of embarrassment.

...I trust you will also appreciate the motives with which I repeat what was said on a former occasion, viz: that the charge of the mechanical portion of the duties connected with the improvement of the salt springs, is nearly incompatible with the other duties I am directed to perform; and however anxious I may be to perform faithfully the duties assigned, the very nature of those duties is such as to preclude an absolute personal supervision. I am, in consequence, held responsible for the

faithful performance of a trust, without the power to devote to it that constant and unwearied attention it requires.

This will be the more readily understood, when you reflect that to the office of state geologist certain duties are assigned, which, if faithfully performed, should occupy his complete time and attention. After these duties had been defined, the charge of the improvement of the salt springs was also added, thus attaching a duty which of itself requires the complete energies and attention of a single individual.

In view of these difficulties and embarrassments, I would respectfully suggest to your honorable body, the policy of so far modifying the present duties of the state geologist, as to release him from the duties and responsibilities connected with the disbursements and superintendence of the improvements at the salt springs.

I would again, respectfully beg leave to call your attention to the condition of the salt spring lands. The "location," of the seventy-two sections of salt lands, granted our state by the general government, is now completed, and the sum expended in the improvement of the salt springs, may be regarded as an amount advanced, to be hereafter replaced from the liberal donation already made by the United States. With this view, no doubt can exist but the earliest measures should be taken to render the lands available, and the conditions of the grant are such as only to admit of their lease. Numerous applications have been made for the lease of portions of those lands, which will never be required for salt purposes; but no power exists to lease or place them in any condition by which profit may accrue to the state.

Nor am I aware that any power has been delegated, by which depredations upon the timber of those lands can be prevented. Extensive depredations have been committed upon the timber of some of the lands, and this in the most bold manner; for they have been committed without any apparent fear of consequences. It is unnecessary to represent to you the great injury thus done to the lands.

An exhibit of the condition of the fund placed under my control, will be laid before you at as early a day as a due regard to accuracy will permit.

All of which is respectfully submitted.

DOUGLASS HOUGHTON,
State Geologist.

[No. 9.]

Report of the River Raisin and Lake Erie Railroad Company.*Monroe, January 1, 1840.**To the Hon. the Legislature of the State of Michigan:*

The River Raisin and lake Erie railroad company, in obedience to the requisitions of their charter, respectfully report to your honorable body, that they have discontinued the further construction of their railroad for nearly two years past; that, consequently, no expenditures have been incurred in the construction of said road since the last annual report of this company to the legislature; to which report, your honorable body are referred, for a statement of the amount of expenditures in constructing said road, up to that time, (to wit: January 1, 1839.)

All which is respectfully submitted.

J. Q. ADAMS,

President.

Sworn and subscribed before me, this 13th day of January, A. D., 1840.

C. C. JACKSON,

Notary Public, Wayne Co., Mich.

[No. 10.]

Report of the Commissioners appointed to settle with the Michigan State Bank, accompanying a special message from the Executive, of January 14, 1840.

*To the Honorable Senate and**House of Representatives of the State of Michigan:*

The undersigned, commissioners appointed by a joint resolution of the senate and house of representatives, "to extend the time of settlement with the Michigan state bank, and to increase the powers of the commissioners charged with that duty," approved April 10th, 1839, respectfully report:

As preliminary to a settlement with the Michigan state bank, and as the basis upon which alone such settlement could be entered upon by the commissioners in behalf of the state, the officers of the bank were required to give good and satisfactory security to the state for the ultimate payment of such sums as might be agreed upon between the parties as due, and hereafter, at such times as might be specified by contract, pay-

able to the state. At every stage of the negotiation, the officers of the bank declined to give other security for such future payments, than simply the bonds of the bank. The commissioners being of opinion, that the state was already in possession of all the security which the bank affords in virtue of its bonds in a corporate capacity, for the immediate payment of the balance due to the state, demanded further individual security and indemnity, provided the payment should be postponed several years, and made partly by paper due the bank, and in part by annual or semi-annual instalments. If, as was alleged by its officers, the bank was in a condition of insolvency, the commissioners could not feel justified in relying alone upon the bonds of an insolvent corporation, for the future payment of a large sum of money.

To meet the foregoing objection, the officers of the bank stated, that should a satisfactory settlement be made with the state, it was the intention of the stockholders to pay such additional instalments upon the stock already subscribed for, as should enable the bank to resume operations, and thus restore the entire stock to a par value; and that this being accomplished, the obligations entered into by the bank to the state would be solvent and ought to be satisfactory. Anxious to effect the purpose for which they were appointed, the commissioners would certainly have acceded to this proposition had their inquiry been satisfactorily answered by the directors of the bank: "What security does the bank offer that the additional stock will be paid?"

The answer of the bank directors was, that no security could be given beyond the verbal avowal of the stockholders, and this only upon the condition of a satisfactory and final settlement between the directors of the bank and the commissioners appointed in behalf of the state. And here, it may be proper to advert to the fact, that in addition to the one hundred thousand dollars originally subscribed and paid, new stock had been created to the amount of four hundred thousand dollars, being to the entire extent of the charter, and that the whole amount was taken by subscription; yet, only about sixty thousand, of this four hundred thousand dollars, had been paid in. Under all the circumstances, the commissioners, in behalf of the state, were of opinion that the subscribers for this additional stock, are individually liable for the sums by them respectively subscribed. It will, moreover, be observed, from the accompanying documents, that the directors of the bank, under their propositions, pre-supposed that the state should accept paper and evidence of debts due by individuals, the money upon which would not be realized for a length of time, and much of it, if in the possession of the state, would be unliquidated, involving long and doubtful litigation.

Therefore, in conclusion, after stating the several distinct propositions, a copy of which is herewith submitted, as the basis upon which a settlement would be attempted, and said proposition not being satisfactory to the bank directors, the commissioners closed their correspondence, with all further attempts of a settlement. Of their failure to accomplish the object for which they had been appointed, the commissioners immediately apprized the executive, to the end that he might institute such process as might be deemed necessary and expedient for the interest of the commonwealth.

The subjoined letters of correspondence, numbered from one to seventeen, inclusive, exhibit, in detail, the causes of failure, on the part of the commissioners, to accomplish the object for which they were appointed.

Respectfully submitted.

J. KEARSLEY,
RANDOLPH MANNING,
HENRY HOWARD.

Detroit, January 3, 1840.

(No. 1.)

Detroit, May 3, 1839.

GENTLEMEN—In compliance with a joint resolution of the legislature, approved April 19th, 1839, "to extend the time for settlement with the Michigan state bank, and to increase the powers of the commissioners charged with that duty," the commissioners would respectfully inform the president, directors and company of said bank, that they are prepared to commence the discharge of the duties assigned them under said resolution, at such time as may suit the earliest convenience of the officers of said bank; and with this in view, a reply is respectfully solicited.

In behalf of the commissioners,

I have the honor to be,

Very respectfully, your obedient servant,

(Signed,)

J. KEARSLEY,

One of the Commissioners, &c.

To the President, Directors and Company,
of the Michigan State Bank, Detroit, Mich.

(No. 2.)

MICHIGAN STATE BANK, }
Detroit, May 4, 1839. }

SIR—I have the honor to acknowledge your favor of the 2d instant, addressed to the president, directors and company of this institution.

I am requested by the board of directors to inform you that they are making every exertion to enable them to meet you during the present month, but are not yet prepared to say at what time the requisite statements and vouchers will be completed. They trust, however, that the delay will tend to facilitate a final arrangement, and render the duty of the commissioners less onerous than it would be at this moment.

I have the honor to be, with high respect,

Your obedient servant,

(Signed,)

GEO. F. PORTER, *President.*

JONATHAN KEARSLEY, *Esq., Commissioner, &c., Detroit, Mich.*

(No. 3.)

MICHIGAN STATE BANK, }
Detroit, May 13, 1839. }

JONATHAN KEARSLEY, *Esq., Commissioner, &c.*

SIR—I have the honor to advise you that the committee of the board of directors of this institution, for settlement under the resolution of April 19th, 1839, will meet your board, on Wednesday, the 15th instant, at 10 A. M., at this office, or at such other time and place as you shall notify us of, better suiting your convenience.

May I ask the favor of you to furnish me with a copy of the resolution of the legislature, under which your committee are organized?

I remain, with high respect,

Your obedient servant,

(Signed,)

GEO. F. PORTER, *President.*

(No. 4.)

MICHIGAN STATE BANK, }
Detroit, May 16, 1839. }

GENTLEMEN—In compliance with your request, I give you below an abstract of the assets and indebtedness of this institution, from a more extended analysis made during the past week, which I believe to be substantially correct, viz:

| | |
|--|-----------|
| A. Slow, but ultimately available, | \$480,000 |
| B. Slow, doubtful and dependent on the success of the institution. Much of it may be secured by further advances and lenity; most of it will be lost without those appliances, | 290,000 |

Carried forward,

[Sen. Doc.]

| | |
|--|------------------|
| Brought forward, | |
| C, Including \$60,000 of our own stock, is believed bad under any circumstances, except that the stock will be saved by a resuscitation of the institution, | 125,000 |
| | <u>\$895,000</u> |

Our indebtedness amounts to about \$886,000, as appears by our books; but we are already aware of several claims existing against us, which do not appear in our accounts, amounting to nearly \$10,000, the payment of which we shall contest, and the result we cannot anticipate with any confidence.

Whether any other paper is in existence, upon which we are, or may be rendered liable, we are yet unable to say; but we are well advised that paper to a large amount has been issued, upon which this institution was ostensibly liable, which was never entered in our books, and for which, we have reason to believe, no consideration was ever received.

Until further investigation shall have been made, it is impossible to give you any assurances of the ultimate decision of the stockholders, in relation to the future action of the institution.

I have the honor to be, with high respect,

Your obedient servant,

(Signed,) GEO. F. PORTER, *President.*

To Messrs. JON. KEARSLEY, H. HOWARD, and others,
Commissioners, &c.

(No. 5.)

Detroit, May 23, 1839.

At a meeting of the board of commissioners, appointed to adjust the balance and make settlement between the state of Michigan and Michigan state bank:

“*Resolved*, That J. Kearsley, as chairman, request the officers of the Michigan state bank to permit the board of commissioners to make such personal examination of the affairs of said bank, as the books, notes and accounts thereof may exhibit.”

Detroit, May 25, 1839.

GEORGE F. PORTER, *President Michigan state bank:*

SIR—The above resolution is communicated in compliance with its contents.

I am, sir, very respectfully,

Your obedient servant,

(Signed,) J. KEARSLEY, *Chairman, &c.*

(No. 6.)

MICHIGAN STATE BANK, }
Detroit, May 27, 1839. }

JON. KEARSLEY, Esq., Chairman of Com., &c.:

SIR—Your favor of the 25th inst., enclosing resolution of your board, is received, and I am authorized to place our books and papers at your disposal; always under the reservation of secrecy.

The officers of the bank will render every facility in their power to aid you in your investigation.

I remain, very respectfully,

Your obedient servant,

(Signed,)

GEO. F. PORTER, President.

(No. 7.)

To the President and Directors.

of the Michigan state bank, Detroit.

GENTLEMEN—The undersigned commissioners, appointed to settle with the Michigan state bank, make the following proposition as a basis of a settlement:

From \$502,181 01 which appears by the treasurer's account to be due from the bank to the state, the commissioners are willing to deduct the following items:

1st. The several accounts which they are instructed to allow, by the joint resolution of the legislature, of the 19th of April last, and by the act making appropriations for the year 1839.

2d. The balance of moneys specially deposited, with the bank, after deducting from the whole amount so deposited, the several sums loaned to banks and individuals by James B. Hunt, and allowed by the commissioners to the bank, as advances to said Hunt.

3d. Of the \$28,003 71, advanced by the bank to James B. Hunt, the commissioners will allow, 1st, the \$5,000 special deposit money, loaned by him in pursuance of a resolution of the board of internal improvement; and the balance of the \$17,234, loaned by said Hunt, (that being the whole amount of moneys specially deposited, loaned by him,) if the same should be secured to the state to the satisfaction of the commissioners, by the institution or individuals or whom it was loaned; and 2d. so much of the balance of the \$28,003 71, after making the aforesaid deductions, as shall be allowed said Hunt, by the auditor general, on satisfactory vouchers, for moneys actually expended by said Hunt, as commissioner of internal improvement.

4th. The debt due to the bank from the Calhoun county bank, if secured by that institution to the state, to the satisfaction of the commissioners.

5th. So much of the \$23,358 37, alleged by the bank to have been advanced to Porter and Gibson, as commissioners to superintend the building of the state penitentiary, as shall be allowed and credited to them by the persons authorized by a joint resolution of the 10th of April last, to audit and settle the accounts of said commissioners.

6th. The \$9,187 73 advanced by the bank to the superintendent of public instruction, provided the same be admitted by him, and satisfactorily shown to have been officially disposed of.

7th. Such part of the \$1,912 80 charged by the bank as advanced to D. C. McKinstry, commissioner of internal improvement, as shall be allowed said McKinstry by the auditor general on satisfactory vouchers, for money actually expended by him as commissioner.

8th. The balance due to the state with interest, after the aforesaid items are ascertained and deducted, shall be paid to the state by the bank as follows:

| |
|--|
| One quarter of the principal on the first day of Jan., 1842, |
| do do do do 1843, |
| do do do July, 1843, |
| do do do Jan., 1844, |

at the respective periods above named.

The interest on the whole sum (which may from time to time remain unpaid) shall be paid as follows, to wit: on the 1st days of January 1840, 1841, 1842, 1843, and 1st July 1843, and 1st January, 1844. The whole to be secured to the state by the bond of the bank, and by bonds and mortgages, or other satisfactory collateral security.

(Signed,)

J. KEARSLEY,
RANDOLPH MANNING,
H. HOWARD,

Commissioners.

Detroit, May 29, 1839.

(No. 8.)

GENTLEMEN—Your communication of this morning, containing propositions as the basis of a settlement between the state of Michigan and this institution, has been attentively considered by the committee of the board of directors appointed to effect said settlement.

The committee regret, that in considering the proposition of the commissioners, and in offering that hereinafter named, they

have necessarily been influenced, rather by the ability of the bank to perform, than its legal liabilities.

They consider the second, third and eighth articles of your proposition, are entirely inadmissible under present circumstances; the fifth, sixth and seventh articles are inconsistent with the necessary dispatch, and may also extend the claim of the state beyond the capacity of the bank; and the first and fourth are incorporated in the proposition, which the committee have the honor herewith to present.

The committee propose to transfer to the state the following claims, viz:

| | |
|---|--------------|
| Peter Desnoyers, state treasurer, | \$8,305 01 |
| James B. Hunt, commissioner, | 28,002 71 |
| D. C. McKinstry, do | 1,912 80 |
| Porter and Gibson, do | 23,358 37 |
| John D. Pierce, superintendent, | 8,487 73 |
| H. H. Comstock, contractor, | 18,436 51 |
| Wm. R. Thompson, commissioner, note, | 960 00 |
| Safety fund money deposited on pledge of state officers, that it should be redeemed, special, | 28,753 00 |
| L. S. Humphrey, commissioner, | 2,115 34 |
| H. Howard, treasurer, | 5,241 84 |
| | <hr/> |
| | \$125,574 93 |

The committee propose to assign presently, in payment, the following mortgages, viz:

| | |
|------------------|-------------|
| H. H. Comstock, | \$20,000 00 |
| John Hale, about | 12,000 00 |
| T. B. Clarke, | 18,000 00 |
| | <hr/> |
| | 50,000 00 |

On or before the 30th of Sept. next, they will assign the following mortgages or their equivalent, viz:

| | |
|------------------------------------|--------------|
| F. H. Stevens, | \$24,000 00 |
| J. M. Barbour, | 5,000 00 |
| Securities of Calhoun county bank, | 50,000 00 |
| | <hr/> |
| | 79,000 00 |
| | <hr/> |
| | \$254,574 93 |

They will supply a further sufficient amount before the period last mentioned, to reduce the balance due the state to \$200,000, if possible. For the balance which shall remain due the state after the assignments and securities presently to be made, the bank will give their bonds of \$50,000 each, (except the first, which will be for a fractional sum) payable at inter-

vals of six months, on interest, commencing on the first day of January, 1842, and the bonds and mortgages subsequently to be assigned before the 30th September next, to be applied on the bonds in order of time, commencing with the first, or instead of the bonds of the bank, they will assign in payment, the paper marked 'good' by the commissioners, in their examination of the 27th inst., in the same order that it was examined, to the full amount of the state claim.

The committee beg leave in conclusion, to add, that from a careful review of the assets of the bank, compared with its certain, probable and possible liabilities, and having reference to the known opinions of the stockholders in relation to further action, they consider these the best and only terms they are authorized to propose.

(Signed,)

GEO. F. PORTER,
JOHN CHESTER,
FRANKLIN MOORE,
JAS. A. ARMSTRONG.

Received by the Commissioners, May 30, 1839.

(No. 9.)

Detroit, May 31, 1839.

GENTLEMEN—Your communication of the 30th instant, in reply to certain propositions submitted by the undersigned, on the 29th instant, as the basis of a settlement between the state and the bank, has been duly considered.

In our former communication, we stated the balance due the state, at \$502,181 01. This is the balance due the state, as appears by the treasurer's books, after deducting the \$5,241 34, against H. Howard, treasurer, mentioned in your communication.

The claim against Peter Desnoyers, state treasurer, of \$8,305 01, we understand to be made up of the several accounts referred to by our first proposition, and if correct in amount, of course must be deducted from the indebtedness of the bank.

The whole of the claim against James B. Hunt, cannot, without further inquiry, be taken by the state. But in lieu of our third proposition, which relates to this claim, we make the following:

Of the \$28,003 71, advanced by the bank to Mr. Hunt, we will allow—first, \$17,284, that being the amount loaned by him of moneys specially deposited with the bank; and, second, so much of the balance, after deducting the last named sum, as shall appear to us, on an investigation of the whole matter, to have been expended on the works of internal improvement belonging to the state, and to be equitably due to him.

The claims against D. C. McKinstry and L. S. Humphrey, stand upon the same footing with the balance of the claims against Mr. Hunt, and can be allowed only on the same terms.

The claim against Porter and Gibson is of a similar character, and cannot be allowed until we are satisfied the money has been expended by them for the benefit of the state.

We cannot see with what propriety the bank can ask the state to assume these several claims, until it is shown that the money has been expended for her benefit. Something more should be shown than the mere fact, that the individuals were holding office under the state at the time the money was advanced to them by the bank; and until something is adduced, presenting an equitable claim against the state, we do not feel authorized to allow them. We do not wish to be understood to say, they ought not to be allowed, or, that after an investigation, we may not consider ourselves warranted in allowing them; but merely that we cannot do so without further evidence. In our former communication we stated we would allow such part of the claim against Porter and Gibson, as should be credited to them by the persons appointed to settle their accounts, by the joint resolution of the 10th April. We did so, because we supposed they would be allowed as much on that settlement, after an investigation of their accounts; as we should feel warranted in allowing to the bank. For the reasons stated, we cannot vary our sixth proposition, which relates to the claim against John D. Pierce.

The claims against H. H. Comstock and William R. Thompson, we cannot consent to take. We know of no reason why the state should be asked to accept of them in payment of her claim against the bank.

As to the \$28,753 62, money alledged to have been specially deposited with the bank, and to be still in its possession, we can only say, that from the treasurer's bank book, only \$15,333 appears to have been so deposited, which, with the \$7,224 87 transferred to the internal improvement fund, would make the whole amount of special deposits \$22,557 87. This amount should be allowed to the bank, after deducting the \$17,234, loaned by Mr. Hunt, and the \$2,224 87, paid to Mr. Humphrey, on the resolution of the board of internal improvement, which deduction would leave a balance of special deposit money due to the state, and still in possession of the bank, of \$3,099. Nevertheless, for the sake of a settlement, we will allow the whole of the \$28,753 72, less the aforesaid deduction of \$17,234 loaned by Mr. Hunt, and \$2,224 87 paid to Mr. Humphrey. We know of no pledge made by state officers, that the safety fund money deposited, should be redeemed by the state, as mentioned in your communication;

and if such pledges were made, we know of no law authorizing them:

The mortgages named by you, viz:

| | |
|----------------------|-------------|
| H. H. Comstock, | \$20,000 00 |
| John Hale, | 12,000 00 |
| T. B. Clarke, | 18,000 00 |
| F. H. Stevens, | 24,000 00 |
| J. M. Barbour, | 5,000 00 |
| Calhoun county bank, | 50,000 00 |

\$129,000 00

will be received in part payment by us, upon being satisfied the property mortgaged is ample security for that amount; the balance to be secured and paid as heretofore expressed in our eighth proposition.

We cannot consent to take the discounted paper, referred to, in payment. We do not wish to place the state in a position in which she must become a litigant in court. Besides it does not follow, that what may be good in the hands of the bank, would be equally good to the state. Nor do we consider ourselves warranted by the resolution under which we act, to devolve upon the state the expense and trouble of settling up the business of the bank.

We are, gentlemen, very respectfully,

Your obedient servants,

(Signed,)

J. KEARSLEY,

RANDOLPH MANNING,

H. HOWARD,

Commissioners.

To GEORGE F. PORTER, JOHN CHESTER, and others.

(No. 10.)

MICHIGAN STATE BANK, }
Detroit, June 3, 1839. }

GENTLEMEN—Your favor of 31st, ult., was laid before the late board of directors of this bank, and referred to the board this day elected.

It has again been laid before the present board, who after a careful consideration of it, unanimously passed the following resolution, viz:

Resolved, That the proposition made to the commissioners on the part of this state, by the committee of the former board of directors, on the 30th day of May last, is, in the opinion of

this board, the best that can be proposed within the ability of this institution.

I have the honor to be, very respectfully,

Your obedient servant,

(Signed,)

GEO. F. PORTER, *President,*
For the Committee.

To Messrs. J. KEARSLEY, R. MANNING and H. HOWARD,
Commissioners, &c.

(No. 11.)

Detroit, June 4, 1839.

GENTLEMEN—Your note of yesterday has been received. After a careful examination of our communication of the 31st ultimo, and yours of the preceding day, we can see no cause for varying the terms on which we propose to settle with the bank; and, as under existing circumstances, there is no prospect of a settlement being effected, we must, unless the bank wishes to make some new proposition, consider all further negotiation upon this subject, at an end.

We remain, gentlemen,

Your obedient servants,

(Signed,)

J. KEARSLEY,
RANDOLPH MANNING,
H. HOWARD,

Commissioners.

Messrs. PORTER, and others,

Michigan State Bank, Detroit.

(No. 12.)

MICHIGAN STATE BANK, }
Detroit, June 5, 1839. }

GENTLEMEN—We are induced to make some further statements to you in consequence of a conversation held this morning with Major Kearsley, your chairman, who suggested that one material fact then stated to him, had been omitted in our previous communications.

The funds of this institution were attached in New York last winter, on a debt in favor of the City bank, Albany, of \$30,000. Mr. Norton, to release those funds, hypothecated bonds and mortgages in his hands, amounting to \$38,500, as collateral security, subject to an absolute sale, on the 16th day of September next. This amount, therefore, will be subject to the loss or deduction incident to auction sales under such

circumstances, when the purchasers can know nothing of the property.

We now make you another proposition, which will obviate the legal and constitutional objections made by you to our previous proposals.

We will give the state the gross sum of **\$433,546 85**

This amount we will pay as follows:

| | |
|---|--------------------------|
| Peter Desnoyers' treasurer account, | \$8,305 01 |
| H. Howard's " " | 5,241 84 |
| Comstock's mortgages at three years, (interest to be added,) | 20,000 00 |
| John Hales' mortgages at three years, (interest to be added,) | 11,545 52 |
| T. B. Clarke's mortgages at three years, (interest to be added,) | 18,000 00 |
| | <hr/> \$63,092 37 |

On or before the 16th October next,
we will assign in payment on our
first bonds,

| | |
|--|--------------------------|
| F. H. Stevens' bond and mortgage at three years, (interest added,) | \$24,000 00 |
| J. M. Barbour's bond and mortgages at three years, (interest added,) | 5,000 00 |
| Calhoun county bank's bond and mort- gage at three years, (interest added,) | 50,000 00 |
| | <hr/> \$79,000 00 |

We will pay in bonds and mortgages on or before the 15th October next, which shall not have exceeding two years from that date to run, any amount we can obtain, to be applied to our first bonds in their order.

For the amount due after the paper presently to be assigned, viz: **\$370,454 48**, we will give the bonds of the institution, payable as follows, *i. e.*

| | | |
|--------------------|---------------------------|----------------------------|
| \$70,454 18 | on the 1st of July, 1842, | at 6 per ct. int. fm date, |
| 50,000 | " " Jan., 1843, | " " " |
| 50,000 | " " July, 1843, | " " " |
| 50,000 | " " Jan., 1844, | " " " |
| 50,000 | " " July, 1844, | " " " |
| 50,000 | " " Jan., 1845, | " " " |
| 50,000 | " " July, 1845, | " " " |

With a condition that unless the bank shall call and pay in **\$50,000** additional stock, before the first day of January next, the whole amount of the present debt, deducting the payments which shall have been made, shall be deemed to be due with interest from April 1st, 1839, and the bonds of the bank shall be canceled.

We are induced to make this offer in the belief that it is far better for the state, (as well as the stockholders,) than any di-

vidend which it can obtain, should the affairs of the institution be settled by a receiver, which appears to be the only alternative.

We remain, very respectfully,
Your obedient servants,
(Signed,)

GEO. F. PORTER,
JOHN CHESTER,
JAS. A. ARMSTRONG,
FRANKLIN MOORE,
Committee of Directors.

Messrs. KEARSLEY, HOWARD and MANNING,
Commissioners, &c.

(No. 13.)

Detroit, June 6, 1839.

GENTLEMEN—By your proposition of yesterday, do you intend to retain the claims of the bank against Hunt, McKinstry, Porter and Gibson, and Pierce, or do you intend to assign these several claims to the state, in addition to the \$433,546 83 which you propose to allow? We respectfully solicit your early answer to the above.

We are, gentlemen,
Your obedient servants,
(Signed,)

J. KEARSLEY,
R. MANNING,
H. HOWARD,
Commissioners.

Messrs. PORTER, CHESTER, ARMSTRONG and MOORE,
Committee, &c., Michigan State Bank.

N. B. Major Kearsley is out of town.

(No. 14.)

MICHIGAN STATE BANK, }
Detroit, June 6, 1839. }

GENTLEMEN—In our proposition of yesterday, we did not propose to assign to the state any claims in addition to the aggregate sum of \$433,546 83.

Maj. Kearsley intimated that you would feel authorized by the resolution of the legislature to compromise, but not to take claims against individuals.

I am, very respectfully,
Your obedient servant,
(Signed,)

GEO. F. PORTER,
For the Committee of Directors.

To Messrs. KEARSLEY, MANNING and HOWARD,
Commissioners.

(No. 15.)

Detroit, June 8, 1839.

GENTLEMEN—Your last proposition *for a settlement*, dated on the 5th instant, we deem equally objectionable with any of your previous propositions, and as it cannot now reasonably be supposed you have any other or further proposition to make, we consider it unnecessary longer to continue our correspondence with a view of adjusting the matter of difference between us.

Very respectfully,

Your obedient servants,

(Signed,)

J. KEARSLEY,

H. HOWARD,

RANDOLPH MANNING,

*Commissioners.*GEO. F. PORTER, *Esq., and others, Committee**Directors Michigan State Bank, Detroit.*

(No. 16.)

Detroit, June 8, 1839.

SIR—The undersigned, commissioners appointed by a joint resolution of the legislature, approved April 19, 1839, to settle with the Michigan state bank, on behalf of the state, not being able to effect such settlement, deem it their duty to notify you of that fact, that such steps may be taken to secure the debt due from that institution to the state, as the circumstances of the case may require.

Your obedient servants,

(Signed,)

J. KEARSLEY,

RANDOLPH MANNING,

H. HOWARD,

*Commissioners.**To His Excellency Gov. MASON.*

(No. 17.)

Detroit, June 10, 1839.

SIR—Respect for themselves, as well as for the directors of the Michigan state bank, induces the commissioners, appointed in behalf of the state, to settle with that institution, to state frankly, that their failure to accomplish the object for which they were appointed, has been communicated to his excellency the governor, and that under his instructions, the attorney ge-

neral will take the necessary legal steps preliminary to an injunction.

I am, sir, very respectfully,

Your obedient servant,

(Signed,)

J. KEARSLEY, *Chairman,*

In behalf of the Commissioners.

To GEO. F. PORTER, *Esq.,*

President Michigan State Bank, Detroit.

Statement of the Funds of the Bank of Michigan, Jan. 1, 1840.

| | |
|---|-----------------------|
| Loans on personal security, | \$712,892 21 |
| Real estate securities, | 243,916 99 |
| Banking house and furniture, | 48,424 27 |
| Due by United States, advances to Indian department, per agreement, | 24,109 12 |
| Due by state of Michigan, for advances, | 36,267 29 |
| Drafts of the state of Michigan on New York, | 43,000 00 |
| Due from banks, | 49,873 72 |
| Bank notes on hand, | 22,584 00 |
| Specie, gold and silver, | 67,983 89 |
| Specie loaned to Indian department, repayable in coin, | 12,609 39 |
| | <hr/> |
| | <u>\$1,261,660 88</u> |

| | |
|---|-----------------------|
| Capital stock, | \$450,000 00 |
| do do branch bank, | 50,000 00 |
| | <hr/> |
| | \$500,000 00 |
| Profit and loss, | 115,156 57 |
| University of Michigan, due 1st July, 1840, | 5,549 92 |
| do do due 1st July, 1841, | 50,000 00 |
| | <hr/> |
| | 55,549 92 |
| Treasurer of the United States, | 175,444 25 |
| Treasurer of the state of Michigan, | 26,456 67 |
| Banks, | 14,728 27 |
| Post notes on time, August, September and October, 1840, | 17,524 00 |
| Drafts on time, | 49,509 69 |
| Deposites, | 192,806 51 |
| Circulation, of which sum \$40,000, not having been presented for several years, is supposed to have been destroyed and lost in twenty-two years' operations of the bank, | 114,485 00 |
| | <hr/> |
| | <u>\$1,261,660 88</u> |

| | |
|---|---------------------|
| Liabilities of the bank to the public, as above,: | \$306,404 31 |
| Means to meet the same, | <u>1,261,660 88</u> |

Charles C. Trowbridge, president, and Henry K. Sanger, cashier, of the bank of Michigan, being sworn, depose and say, that the foregoing statement is just and true.

C. C. TROWBRIDGE,
H. K. SANGER,

Sworn to and subscribed, this 14th day of January, 1840,
before me,

J. O. GRAVES, J. P.

[No. 11.]

Report of the Board of Fund Commissioners.

OFFICE OF BOARD OF FUND COMMISSIONERS, }
Detroit, January 10, 1840.

To the Honorable the Legislature of Michigan:

The board of fund commissioners in pursuance of the act to establish the State bank of Michigan, respectfully report:

That at the first meeting of the board as state directors of said bank, their respective terms of office were determined in the manner prescribed by law, as follows, to wit:

John S. Barry and Zina Pitcher, for one year.

Edward Mundy and George W. Jermain, for two years.

John Biddle and B. F. H. Witherell, for three years.

Robert Stuart and Charles Noble, for four years.

That the places of John S. Barry and Edward Mundy, are vacant by their declination of the office, and that of B. F. H. Witherell, by his resignation.

That the fund commissioners being required by said act to procure a loan upon the credit of the state, before the books of subscription for the stock of the bank could be opened; soon after the organization of the board, they appointed a committee to effect, if possible, a loan sufficiently large to enable the commissioners to organize the bank.

The embarrassed state of the country, the crippled state of our financial concerns, and the entire absence of any currency within our own state, seemed to call for prompt and efficient action on the part of the commissioners, and it was with a view to carry out the intentions of the legislature in the establishment of a board of fund commissioners, as well as to put the bank in operation, and have a safe depository for the money of the state, that the commissioners agreed, that if no larger amount could be negotiated, \$300,000 might be sufficient for

the purposes aforesaid, which sum, and not exceeding \$500,000 the committee were authorized by the board to negotiate, at a discount not exceeding two and a half per cent. Believing as they did, that the establishment of a state bank was designed by the legislature to facilitate the business operations of the country, create a currency in which the people could safely confide, and restore credit and confidence to the people, which had been well nigh lost, they did not deem the small discount which they might be under the necessity of making on the bonds of the state, of any moment, compared with the ultimate good which the state might expect to derive from the establishment of such an institution, and more especially when it was known that the exchanges between this and the Atlantic cities, have for the last two years, ranged from three to twelve per cent, and that the people of the state were paying this difference of exchange every day in the merchandize which their necessities compelled them to purchase from the merchants of the state; the merchants being compelled to add this difference to indemnify them against losses on the money of the country. With this state of things staring them in the face, and individual as well as public credit being well nigh gone, and the monetary affairs of the whole country in a depressed state, almost if not quite without a parallel in our history, the committee undertook the negotiation, the report of which committee to this board, which is herewith transmitted to the legislature, will exhibit the circumstances and result of the negotiation. That no loan having been procured, nothing has been done toward the organization of the bank, and as the present condition of the money market forbids the idea of procuring funds upon any sale of the state stocks, which could now be made, there appears no present prospect of satisfying the expectation of our citizens in the establishing of this institution, unless the state shall be in possession of funds, independent of the negotiation of any new stocks which may be employed for this purpose, and which the legislature may not appropriate to more important objects. Some amendments to the charter have seemed to this board to be necessary, and others have been suggested which may be worthy of consideration, which the commissioners would respectfully suggest to the legislature, to wit:

Whether, instead of the mutual liability of the branches for each other's debts, a provision similar to the New York safety fund system, should not be substituted.

Whether some of the disqualifications of the directors should not be removed.

Whether books of subscription, should be required to be opened for all the branches at the same time, or should be in the discretion of the commissioners.

Whether the notes of the bank should not be directed to be signed by the officers of the branch from which they are issued.

Whether the subscriptions of stock should not be had before the loan is necessary to be made, that the amount of funds requisite, could be ascertained.

Whether the time between the payment of the several instalments on the stock, should not be three months, instead of six.

Whether it might not be expedient for the state to furnish to subscribers the whole amount of their subscriptions for stock.

Whether the secretary of state should not execute the state bonds and affix the seal of the state.

It is provided by the act, that all the expenses incurred in relation to the loan, shall be paid by the bank and branches; but it will be obvious to the legislature, that in the present condition of the matter, no adequate provision is made for remuneration for the expense of time and money which has been necessarily incurred by individuals in discharge of their official duties under this law.

All which is respectfully submitted.

JOHN BIDDLE,
ROBERT STUART,
CHAS. NOBLE,
Z. PITCHER,
G. W. JERMAIN.

Detroit, January 10, 1840.

Report of the Committee of Fund Commissioners.

To the Board of Fund Commissioners:

The committee appointed by this board to negotiate a loan, respectfully report: That one of the committee, after having visited some of the Atlantic cities and satisfying himself that a negotiation, such as he deemed advantageous to the state, could not be effected, returned to his home without having in any measure accomplished the object of his mission. One other of the committee was prevented by sickness, from entering upon his duties. Another was added to the committee, and the undersigned finally constituted the acting committee upon that matter. After having visited most of the principal cities at the east, and offering the stock in the market, they finally procured the acceptance of their offers for half a million of the stock, at 97½, which was deemed by all the men of intelligence with whom they consulted, a most advantageous bargain to the state, and one which would at once give it the

means of restoring, (in some measure at least,) our lost credit. The committee having thus, as they thought, accomplished the object of their appointment, one of them came immediately home to procure the execution of the bonds by the commissioners, but a difference of opinion in the board, caused a delay in the execution of the bonds; some of the commissioners declining to execute and forward them to the committee until they should be made acquainted with the securities to be taken by the committee. It is true, the committee made the loan upon time; but all the payments, except about \$80,000, were to be made within two years, and the most ample security was proffered to the committee, for the faithful and prompt payment of the instalments as they were to fall due. The law creating the state bank, provided for the payment of twenty per cent, at the time of the subscription, and twenty per cent, every six months thereafter, until the whole amount was paid in. The loan made by the committee, was intended to meet these payments, and it will be perceived, that, had we been able to effect the loan for cash in hand, we could not have used it by the terms of the charter, and the state would have incurred the loss of interest on the whole amount of the loan, (less the 20 per cent,) a loss which would have been more than equal to the whole amount of discount allowed upon the loan. The committee, therefore, were fully justified, (if they regarded properly the interests of the state,) in making the negotiation upon time, (if the time was not extended beyond that contemplated in the charter, and if the security offered for the payments as they became due, were in their opinion, ample and sufficient, and of which those employed in the negotiation and present at the place of sale, could alone have the proper evidence to decide upon, and the sole responsibility of the sufficiency of the securities would properly rest upon them.) And while they were willing and anxious to consult with and be advised by the board, in all matters relating to their agency, and to avoid all responsibility, as far as they reasonably could, yet having fulfilled the object of their agency, having made the contract, and such a contract as they must believe was for the best interests of the state, they could not have anticipated any other than a cordial co-operation on the part of the remaining members of the board, and an anxious wish on the part of all, to meet the expectations of the people of the state, and more particularly when it was known, that unless the bonds were promptly furnished, the loan itself might be lost to the state.

The bonds were wanted to pledge to the comptroller of the state of New York, to procure bills for the purpose of purchasing wheat early in the fall, and so soon as it was ascertained that the commissioner had returned without the bonds, those with whom we had negotiated, furnished themselves imme-

diately with other state stocks, and on terms more advantageous to themselves, than they had contracted with the committee.

After spending more than three months in making, and, (as they thought,) completing a negotiation, which, if carried into effect, might have proved advantageous to the state, and given the basis for a currency which would have received the confidence of the entire public, and given assistance, in this time of need, to the widely extended population of our whole state, the committee were compelled to return home without the benefit of the negotiation.

The committee would not impute any other than conscientious motives to any member of the board, in their disagreement with the committee, but their sole object is to explain the circumstances of their agency, and the reasons of the failure in consummating the negotiation.

CHAS. NOBLE,
G. W. GERMAIN.

Detroit, October 26, 1839.

[No. 12.]

Report of the Inspectors of the State Prison.

In compliance with the requirement of section 10, of "An act to provide for the government and discipline of the state prison," the board of inspectors for the state prison at Jackson, submit the following report of the state and condition of the prison:

The prison buildings being in an unfinished state at the time the prisoners were removed to this place, in March last, a temporary building was erected for their reception; this they have continued to occupy ever since, with the exception of a short time during the warm season, when they were lodged in the cells of the prison separately. The temporary building consists of a cook-room and a large apartment which answers the double purpose of a lodging and mess-room, having four tiers of berths on each side, and tables in the centre. The building is objectionable, inasmuch as it is less secure than the cells, and thwarts in a great measure, that wholesome discipline, which can only be preserved, where there is less chance of communication among the convicts; but it is believed to be the best place that circumstances would admit of.

We had confidently hoped that the west wing of the prison would have been completed and ready for the reception of prisoners by the first of January, but a failure on the part of those

who purchased the state bonds, to meet the monthly instalments, has compelled the commissioner to suspend for the present, the whole work.

An addition to the temporary building had become necessary, and has recently been erected to accommodate a greater number of prisoners through the winter.

The financial operations of the prison, have been attended with much embarrassment, and in many cases, with a loss to the state; it has arisen from the want of an appropriation for defraying the current expenses of the prison; the agent had no alternative left, but to use the credit of the state; this has been done for the whole amount which has accrued, with the exception of what has been received for convict labor, as will appear in the report of the agent, annexed, to which we beg leave to refer.

The amount of expenditures which accrued during the superintendence of Benjamin Porter, and previous to the 24th June, are not included in the report of the present agent; it amounts to \$2,661 34, as appears by copies of two monthly reports of Benjamin Porter annexed, all of which, it is believed remain unpaid, except the sum of seventeen dollars, which has been paid on the account of the attending physician, showing a balance, unpaid, up to the 24th of June, of \$2,644 34.

The annual report of the agent, exhibits the amount of labor performed by the convicts, and the manner in which it has been applied. It likewise exhibits the amount of receipts and expenditures, from the 24th June, up to the close of the fiscal year, ending on the 31st day of October.

The condition of the prison in regard to health and physical ability, is, and has been good through the past warm season, as will appear by the agent's report, showing the quantity of time lost by sickness; in regard thereto, it should be borne in mind that many of the convicts were diseased on entering the prison; through the prompt attention of the physician, such convicts have been restored to health, while those who have been laboring under complaints common to the country, such as fever, ague, &c., have lost but a few days each.

The discipline under the present efficient agent and deputy keeper, has resulted in keeping good order and subordination, requiring the infliction of but very little corporeal punishment.

The moral instruction of the prison, has consisted in supplying such of the convicts, who could read, with a copy of the Testament, together with the divine lectures of the chaplain, once in each week, whose christian fidelity and attention has had its due influence on most of the convicts.

Copies of the monthly reports which have been made by the agent to the board, will be found also annexed.

The number of convicts remaining in the prison, 31st Octo-

ber, was twenty-five, since which time, up to the 31st December, there has been added seven thereto, making the present number thirty-two,

It will be perceived by copies of Benjamin Porter's two reports, that \$2,644 34, will be necessary to discharge the same. It also appears by the agent's report of receipts, disbursements and out-standing debits, that the sum of \$1,553 02 is required to meet the liabilities incurred up to the end of the fiscal year, 31st October. We have been informed by the agent that from the termination thereof, to the 31st day of December, there have accrued liabilities, amounting to \$1,500; these will together require about the sum of \$5,700 for their liquidation. For this amount it is respectfully requested of the legislature that a provision may be made at the earliest opportunity, and also that an appropriation may be made to meet the expenses of the ensuing year.

Any further information that may be required by the legislature, will be cheerfully forwarded.

All which is respectfully submitted.

IRA C. BACKUS,
ALLEN BENNETT,
R. B. REXFORD,

Inspectors.

State Prison, Jackson, December 31, 1839.

Since preparing the report of the inspectors, it has, upon inquiry, been ascertained that the following sums contained in Benjamin Porter's report, have been paid, amounting together to \$533 11, viz:

| | |
|---|----------|
| May 21, Paid to J. H. Titus, for conveying eleven | |
| convicts, | \$220 63 |
| Ira A. Reed, deputy keeper, | 104 16 |
| B. Porter, as agent, | 208 32 |
| | <hr/> |
| | \$533 11 |

Consequently there will require that amount less to be appropriated for.

J. S. WARD.

State Prison, Jackson, July 23, 1839.

To the Honorable the Board of Inspectors of said prison:

Jonas H. Titus, the agent, respectfully reports, that the following is a correct statement of moneys due to the under-mentioned persons, for services rendered at the state prison, also for goods furnished for the use of said prison, from the 24th day of June to 24th day of July, 1839.

1839.

| | | | |
|---|--------|----|----------|
| July 24, To J. H. Titus, for services as agent of prison for 46 days, at \$1,000 per annum, | | | \$125 04 |
| “ L. B. Cogswell, as guard, 31 days, at | | | |
| | \$1 25 | | 38 75 |
| “ P. Cough, | do 29 | do | 36 25 |
| “ T. Cough, | do 31 | do | 38 75 |
| “ M. Harragan, | do 31 | do | 38 75 |
| “ C. S. Elwell, | do 32 | do | 40 00 |
| “ N. Hammond, | do 31 | do | 38 75 |
| “ D. B. Wilcox, | do 16 | do | 20 00 |
| “ Ford & Buck, 3 pair mittens, | | | 3 75 |
| “ Kirby, at Detroit, for leather and transportation. Invoice 2, | | | 58 82 |
| “ John Watkins, for 33 gallons oil, at \$1 44 per gallon. Invoice 4, | | | 48 52 |
| | | | <hr/> |
| | | | \$487 38 |

State of Michigan, Jackson County, ss.

Jonas H. Titus, agent, and Joseph Septimus Ward, clerk, of the state prison at Jackson, being duly sworn, say that the within statement is correct and true according to the best of their knowledge and belief.

(Signed,)

J. H. TITUS, *Agent,*
J. S. WARD, *Clerk.*

Subscribed and sworn to, this 24th day of July, A. D. 1839.

(Signed,)

IRA C. BACKUS, *Chairman.**State Prison, Jackson, August, 1839.**To the Honorable the Board of Inspectors of the said prison:*

Jonas H. Titus, the agent, respectfully reports, that the following is a correct statement of moneys due to the undermentioned persons for services rendered at the state prison, also for goods furnished for the use of the prison, from the 24th day of July to the 21st day of August, A. D. 1839.

1839.

| | | | |
|---|--------|--|---------|
| Aug. 21, To J. H. Titus, for services as agent of said prison, for 29 days, at \$1,000 per annum, | | | \$89 46 |
| “ D. B. Wilcox, for 29 days, as deputy keeper, at \$500 per year, | | | 34 73 |
| “ L. B. Cogswell, as guard, 24 days, at | | | |
| | \$1 25 | | 30 00 |
| | | | <hr/> |

Carried forward,

| | | | | |
|---|--------------|----|----|----------|
| Brought forward, | | | | |
| To P. Cough, for services as guard, 28 | | | | |
| | days, at \$1 | 25 | | 35 00 |
| " Thos. Cough, | do | 28 | do | 35 00 |
| " M. Harragan, | do | 28 | do | 35 00 |
| " C. S. Elwell, | do | 24 | do | 30 00 |
| " N. Hammond, | do | 28 | do | 35 00 |
| " J. Roberts & Co., Detroit, for goods to | | | | |
| make clothing for convicts, | | | | 91 36 |
| " Lohson Wilcox, for shoemakers' tools, | | | | |
| lasts, &c., for prison, | | | | 3 95 |
| | | | | <hr/> |
| | | | | \$399 50 |

State of Michigan, Jackson county, ss.

Jonas H. Titus, agent, and Joseph Septimus Ward, clerk, of the state prison at Jackson, being sworn, say that the within statement is correct and true, according to the best of their knowledge and belief.

J. H. TITUS, *Agent.*

J. S. WARD, *Clerk.*

Subscribed and sworn to, this 21st day of August, A. D. 1839, before me.

(Signed,)

IRA C. BACKUS,
Chairman.

State Prison, Jackson, Sept. 18, 1839.

To the Honorable the Board of Inspectors of the State Prison:

Jonas H. Titus, the agent, respectfully reports, that the following is a correct statement of moneys due to the under-mentioned persons, for services rendered at the state prison; also, for goods furnished for the use of the prison, from the 21st day of August to the 18th day of September, A. D. 1839:

1839.

| | | | | |
|---|----|----|---------|---------|
| Sept 18, To Jonas H. Titus, for services as agent | | | | |
| of said prison, 29 days, at \$1,000 per | | | | |
| annum, | | | | \$29 46 |
| " D. B. Wilcox, for services as deputy | | | | |
| keeper, 29 days, at \$500 per annum, | | | | 34 73 |
| " L. B. Cogswell, as guard, 25 days, at | | | | |
| | | | \$1 25, | 31 25 |
| " Patrick Cough, | do | 29 | do | 36 25 |
| " Thomas Cough, | do | 29 | do | 36 25 |
| " Michael Harragan, | do | 29 | do | 36 25 |

Carried forward,

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Brought forward,

| | | |
|---|-----------------|----------------|
| Sept 18. To C. S. Elwell, for services as guard, 25 | | |
| | days, at \$1 25 | 31 25 |
| " N. Hammond, do 29 do | | 36 25 |
| " A. E. Lyon, do 25 do | | 31 25 |
| " Silas W. Stowell, for sundries furnish- ed for the use of said prison, | | 6 18 |
| | | <hr/> \$349 12 |

State of Michigan, Jackson county, ss.

Jonas H. Titus, agent, and Joseph Septimus Ward, clerk, of the state prison at Jackson, being duly sworn, say that the within statement is correct and true, according to the best of their knowledge and belief.

(Signed,)

J. H. TITUS, *Agent.*

J. S. WARD, *Clerk.*

Subscribed and sworn to, the 18th day of September, 1839, before me.

(Signed,)

IRA C. BACKUS, *Chairman.*

State Prison, Jackson, Sept. 25, 1839.

To the Board of Inspectors:

Jonas H. Titus, the agent, respectfully reports, that the following is a correct statement of convict labor, performed for Z. Platt and Silas W. Stowell; and that there is now due to S. W. Stowell, for boarding 22 convicts, \$849 60, as by statement, hereunder written, will more fully appear.

1839.

| | |
|---|----------------|
| To 664 day's labor, for Z. Platt, by con- | |
| victs, at 7s per day, | \$578 52 |
| " 208 days, at 6s. per day, | 156 00 |
| " 112 days for Silas W. Stowell, at 8s. | |
| per day, | 112 00 |
| | <hr/> \$846 52 |

Due to Silas W. Stowell, for boarding
convicts from May 24 to August 1st,
as per bill on file,

684 80

Due for boarding 22 convicts from Au-
gust 2 to September 18, 25 days, at 30
cents each,

165 00

\$849 60

State of Michigan, Jackson County, ss.

Jonas H. Titus, the agent, and Joseph Septimus Ward,

clerk, of the state prison, being sworn, say that the above statement is true to the best of their knowledge and belief.

(Signed,)

J. H. TITUS, *Agent.*

J. S. WARD, *Clerk.*

Subscribed and sworn to, this 26th day of September, 1839, before me.

(Signed,)

IRA C. BACKUS, *Chairman.*

State Prison, Jackson, Oct. 31, 1839.

To the Hon. the Board of Inspectors of the State Prison:

Jonas H. Titus, agent of the state prison, respectfully reports: That the following is a correct statement of moneys due to the undermentioned persons, for services rendered at the state prison; also, for goods furnished for the use of said prison, from the 18th day of September to 31st day of October, 1839.

1839.

| | |
|--|----------|
| Oct. 31, To Jonas H. Titus, for services as agent of said prison, 37 days, at \$1,000 per annum, | \$101 37 |
| " D. B. Wilcox, for services as deputy keeper, 37 days, at \$500 per annum, | 50 68 |
| " L. B. Cogswell, as guard, 32 days, at \$1 25, | 40 00 |
| " C. S. Elwell, do 32 do | 40 00 |
| " N. R. Hammond, do 32 do | 45 00 |
| " Irus Hammond, do 30 do | 37 50 |
| " A. E. Lyon, do 43 do | 53 75 |
| " T. A. Swift, do 30 do | 37 50 |
| " H. H. Mather, for boiler and tin pans. Invoice 49, | 3 50 |
| " J. B. Fish, for 3 cans powder. Invoice 20, | 2 25 |
| " Ford & Buck, 1 can powder. Invoice 20, | 1 31 |
| " J. Roberts & Co., for woollen socks. Invoice 38, | 21 97 |
| " Pierre Teller, for medicines. Invoice 39, | 55 50 |
| " Stowell, for boarding convicts. Invoice 49½, | 282 30 |
| | <hr/> |
| | \$772 63 |

State of Michigan, Jackson County, ss.

Jonas H. Titus, agent, and Joseph Septimus Ward, clerk,

being sworn, say that the within statement is correct and true, to the best of their knowledge and belief.

(Signed,)

J. H. TITUS, *Agent.*

J. S. WARD, *Clerk.*

Subscribed and sworn to, this 23d day of October, 1839, before me.

IRA C. BACKUS, *Chairman.*

Annual Report.

To the Board of Inspectors of the State Prison:

GENTLEMEN—In compliance with “sec. 35” of “An act to provide for the government and discipline of the state prison,” I respectfully submit to you, a statement of convict labor, together with the manner in which the same has been applied or disposed of, from the 22d day of April, to the 31st day of October, 1839, both inclusive.

And remain, gentlemen,

Yours, respectfully,

J. H. TITUS, *Agent S. P.*

State Prison, Jackson, Nov. 20, 1839.

The State Prison.

CR.

By convict labor from 22d April to 31st Oct., 1839,

| | | | | |
|--|------------|-----|-------|--------------|
| | | | | 3,250½ days. |
| To labor for Z. Platt in stone quarry, | 661½ days, | 7s. | \$579 | 02½ |
| “ “ “ | 208 “ | 6s. | 156 | 00 |
| “ H. B. Lathrop, “ | 82½ “ | “ | 61 | 08 |
| “ S. W. Stowell, “ | 161 “ | 8s. | 161 | 00 |
| | 1,118 “ | | \$968 | 70½ |
| “ for state in blacksmith’s shop, | | | | |
| shoemaker’s shop, tailor’s | | | | |
| shop, bricklaying, &c., | 1,672½ | | | |
| “ lost by sickness, misconduct, | | | | |
| and inclement weather, | 465 | | | |
| Total number of days, | 3,250½ | | | |

To the Board of Inspectors of the State Prison:

GENTLEMEN—In pursuance of sec. 35 of “An act to provide for the government and discipline of the state prison,” I herewith render you a statement of convict labor, and the proceeds arising therefrom; also of the disbursements made on account

of the convicts between the periods of the 22d April and the 31st of October, 1839. For 1,113 day's labor, there has been realized the sum of \$1,007 09. There has been 1,672½ days' labor performed by convicts on the state work, &c., which, if it had been realized to the prison, would amount to \$1,347 24. I regret to state, there has been unavoidably lost to the prison, by sickness, inclement weather, misconduct, &c. between the said periods, 465 days' labor.

I remain, gentlemen,

Yours, respectfully,

J. H. TITUS, *Agent.*

Jonas H Titus, commissioner, in account with the State.
DR.

1839.

| | | |
|-----------|---|----------|
| Sept. 27. | To amount of Z. Platt, for convict labor, | |
| | 661½ days, 7s. | \$578 52 |
| " | amount of Z. Platt, for convict labor, | |
| | 208 days 6s. | 156 00 |
| " | amount of Z. Platt, for work in black- | |
| | smith's shop, | 49 89 |
| | | <hr/> |
| | | \$784 41 |

CR.

1839.

| | | |
|----------|--------------------------------------|--------|
| July 10, | By cash paid Williams, on discharge, | \$2 00 |
| 29, | do Bell, do | 2 00 |
| 13, | do Barber, for cell tubs, | 8 00 |
| Aug. 5, | do do do | 3 00 |
| July 30, | do Bradt, following pris. | 19 00 |
| Oct. 16, | do N. Hammond, do | 5 00 |
| | do A. E. Lyon, | 5 00 |
| Aug. 3, | do Thos. Cough, as guard, | 3 00 |
| 28, | do do do | 25 00 |
| 10, | do M. Harragan, do | 6 00 |
| 28, | do do do | 30 00 |
| 10, | do L. B. Cogswell, do | 6 00 |
| 28, | do do do | 25 00 |
| 10, | do C. S. Elwell, do | 6 00 |
| 28, | do do do | 25 00 |
| 20, | do N.R. Hammond, do | 2 00 |
| 28, | do do do | 30 00 |
| | do D. B. Wilcox, do | 15 00 |
| | do P. Cough, do | 35 00 |

Carried forward,

\$

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| | | | |
|----------|------------------------------------|-------|-----------------|
| | Brought forward, | \$ | |
| Aug. 28, | By cash paid A. E. Lyon, as guard, | 20 00 | |
| Oct. 15, | do P. P. Sawyer, do | 16 25 | |
| Aug. 16, | do Watkins, gallon oil, | 2 24 | |
| 7, | do E. Beddell, cord wood, | 30 00 | |
| Oct. 14, | do E. B. Miller, brooms, | 6 00 | |
| 24, | do H. H. Mather, pans, | 3 50 | |
| | | | <u>\$328 99</u> |
| | Carried to outstanding accounts, | | <u>\$455 42</u> |

The State on account of Convict Department, the following out-standing accounts,

DR.

| | | |
|-----------|--|-----------------|
| June 25, | To Ford & Co., for mittens, | \$3 5 |
| July 5, | G. Kirby & Co. for leather, | 57 58 |
| 6, | John Watkins, 33 gallons oil, | 48 52 |
| 25, | J. Roberts, clothing, | 91 36 |
| Aug. 12, | L. Wilcox, one kit shoe tools, | 3 95 |
| June 24, | S. W. Stowell, board of con- victs, 24th May to 24th August, 2,282 rations, | \$684 60 |
| Sept. 18, | S. W. Stowell, board of con- victs, 24th August to 18th September, 550 rations, | 165 00 |
| Oct. 31, | S. W. Stowell, board of con- victs, 18th September to 31st October, 941 rations, | 282 30 |
| | | <u>1,131 90</u> |
| Jan. 17, | S. W. Stowell, for lard and sundries, | 6 18 |
| Oct. 26, | " pork barrels, | 2 50 |
| Sept. 28, | J. B. Fish, gunpowder, | 2 25 |
| | Ford & Buck, do | 1 31 |
| Oct. 4, | Roberts & Co., clothing and socks, | 21 97 |
| | P. Teller, medicines, | 55 50 |
| | G. W. Gorham, bottles and jars, | 3 50 |
| | G. Kirby, leather, | 55 41 |
| | L. B. Cogswell, guard, 24th June to 31st October, | \$133 75 |
| | Less cash, see contra, | 36 00 |
| | | <u>107 75</u> |
| | P. Cough, guard, 24th June to 30th September, | \$116 25 |
| | Less cash, see contra, | 35 00 |
| | | <u>81 25</u> |
| | Carried forward, | \$ |

| | | | |
|--------------------------------------|-------------------------------------|----------|--------------------------|
| Brought forward, | | | |
| Oct. 4, | To Thos. Cough, guard, 24th | | |
| | June to 30th September, | \$118 75 | |
| | Less cash, see contra, | 28 00 | |
| | | | 90 75 |
| | M. Harragan, guard, 24th | | |
| | June to 30th September, | \$123 75 | |
| | Less cash, see contra, | 36 00 | |
| | | | 87 75 |
| | C. S. Elwell, guard, 24th | | |
| | June to 31st October, | \$140 00 | |
| | Less cash, see contra, | 31 00 | |
| | | | 109 00 |
| | N. Hammond, guard, 24th | | |
| | June to 31st, October, | \$155 00 | |
| | Less cash, see contra, | 32 00 | |
| | | | 123 00 |
| | D. B. Willcox, guard, | 20 00 | |
| | Less cash, see contra, | 15 00 | |
| | | | 5 00 |
| | T. A. Swift, guard, from 2d to 31st | | |
| | October, | | 37 50 |
| | J. Hammond, guard, do | | 37 50 |
| | A. E. Lyon, guard, 21st | | |
| | Aug. to 31st Oct., | \$85 00 | |
| | Less cash, see contra, | 20 00 | |
| | | | 65 00 |
| | Bennett, jr., for four pounds epsom | | |
| | salts, | | 94 |
| | | | <u>\$2,231 12</u> |
| CR. | | | |
| By convict labor, S. W. Stowell, 161 | | | |
| | days, \$1, | \$161 00 | |
| | for H. B. Lathrop, 82½ do | 61 68 | |
| | | | 222 68 |
| | | | <u>\$2,008 44</u> |
| Deduct cash received, | | | 455 42 |
| | | | <u><u>\$1,553 02</u></u> |

*Report of B. Porter, Agent.**State Prison, Jackson, May 21, 1839.**To the Board of Inspectors:*

The agent respectfully reports, that the following is a correct statement of moneys received and expended on account of said prison, commencing on the 6th day of March, and ending on the 21st day of May, 1839:

1839.

| | |
|---|----------|
| May 21, Due S. W. Stowell, bills of 11th April and 21st May, for prisoners, | \$338 77 |
| Dyer & Derby, bill of 11th April and 16th May clothing, | 3 28 |
| W. Baker & Co., March 5 and April 30th, clothing, | 16 32 |
| Ford & Buck, May 2d and April 30th, oil, | 2 00 |
| A. C. Ford, March 11th, buck mits, | 8 00 |
| Wm. Ford & Son, 17th April, flour and meal, | 20 62 |
| Mrs. Chapin, April 30th, making clothes, | 97 13 |
| Mrs. Wellman, April 30th, making clothes, | 83 00 |
| M. Fallahu, May 21st, work, &c., | 9 00 |
| C. R. Ganson, May 21st, expenses, | 5 88 |
| B. W. Rockwells, from 22d April and 30th April, testaments and oil, | 5 75 |
| Benedict & Tisdle, 22d Jan., for clothing, | \$146 02 |
| do 15th Feb. do | 82 13 |
| do March 9, blankets, | 56 25 |
| do 11 do oil, &c., | 2 63 |
| do do cloths, | 10 39 |
| do 14 do do | 5 25 |
| do do molasses, | 15 00 |
| do 11 do oil, &c., | 3 50 |
| do April 1, lamp oil, | 2 00 |
| do 20th March, do | 0 50 |
| | <hr/> |
| | 323 67 |

Carried forward,

| | | | |
|---------------------------------------|--------|----|-------|
| Brought forward, | | \$ | \$ |
| May 21, Due A. Bennet, Jr. bill April | | | |
| 80, for expenses, | 8 07 | | |
| do 15 May, coffee, | 1 46 | | |
| | | | 9 53 |
| Baldwin & Kimble, forks, | | | |
| knives, spoons, lanterns, | | | |
| cups, &c., 22d February, | 31 24 | | |
| M. B. & J. W. Medberry, | | | |
| bill of 30th April, sus- | | | |
| penders, | 0 93 | | |
| do do knives and forks, | 7 94 | | |
| do 21st January, clothing, | 13 78 | | |
| | | | 22 65 |
| Amos Bigelow's bill, 25th | | | |
| April, for hardware, front | | | |
| for cook house, &c., | 33 43 | | |
| Samuel Blackwell & Co., | | | |
| bill 30th April, for chairs, | 25 76 | | |
| do 17th Febru'y, clothing, | 73 84 | | |
| | | | 99 65 |
| B. Porter, for the following | | | |
| bills paid, to wit: | | | |
| Dewy & Green, bill for | | | |
| carver and fork, 8th of | | | |
| March, | 1 38 | | |
| Edward Miller, bill for | | | |
| washing, &c., 9th March, | 4 34 | | |
| Mrs. Miller, bill for wash- | | | |
| ing, &c., 22d March, | 1 56 | | |
| Sam'l Knapp, bill for soap, | | | |
| 13th March, | 6 00 | | |
| * J. H. Titus, expenses for | | | |
| removing 11 convicts | | | |
| to Jackson, 6th March, | | | |
| 1839, | 220 63 | | |
| Mrs. Hessler, for making | | | |
| mattress, sheets, &c., | | | |
| 20th March, | 1 57 | | |
| Thomas Carragan, per re- | | | |
| ceipt, expenses, 6th of | | | |
| March, | 1 00 | | |
| | | | |
| Carried forward, | \$ | \$ | |

16. I have learnt since making up the report, that this amount has been paid, \$290

J. S. WARD, Clerk, S. P.

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| | | | | |
|-------------|--|------|----|--------|
| | Brought forward, | \$ | \$ | |
| May 21, Due | Edward Miller, per receipt, expenses, 7th March, | 1 | 00 | |
| | William Cockburn, per receipt, expenses, 7th of March, | 0 | 50 | |
| | Jus. S. Porter, per receipt, expenses, 7th March, | 1 | 00 | |
| | Dyer & Derby, bill for 22 palm leaf hats, for convicts, May 10th, 1839, | 5 | 50 | |
| | G. W. Gorham, making bullet moulds, 3d May, 1839, | 1 | 38 | |
| | H. P. Mabee, as guard, 7th May, 7½ days, 8s., | 7 | 50 | |
| | Mrs. Miller, washing, &c., 116 pieces, | 2 | 58 | |
| | Dr. McLain, for ointment, for 22 prs brogan shoes, for convicts, 16s., | 0 | 25 | |
| | ¼ fold paper, 9s., | 44 | 00 | |
| | 1 fold paper, 9s., | 1 | 13 | |
| | 3½ lbs hops 3s., and 1 pair shears, 5s., | 1 | 94 | |
| | 1 box percussion caps, 2s. 6d., | 0 | 31 | |
| | Mr. Hammond, for apprehending Thos. Green, who escaped from prison, | \$25 | 00 | |
| | | | | 328 51 |
| | Patrick Cough, as guard, 74½ days, from 7th March to this date, at 10s., | | | 98 13 |
| | G. W. Elliott, as guard, 75½ days from March 7, to this date, at 10s., | | | 94 38 |
| | Levi Beebe, 26½ days as guard, from 6th March to 2d April at 10s., | | | 33 13 |
| | Levi Morley, half day on March 7, 10s., | | | 0 63 |
| | L. B. Cogswell, 27½, from 6th March, to this date, at 10s. | | | 84 38 |
| | Michael Harragan, 47½, 9th April, to this date, 10s., | | | 51 88 |
| | Carried forward, | | | |

| | | |
|---|---|--------|
| Brought forward, | | |
| May 21, Due Thomas Cough, as guard, | 53 days, from 3d April, to this date, 10s., | 61 25 |
| Ira A. Reed, as deputy keeper, two and a half months, \$500 per year, | | 104 16 |
| B. Porter, agent, two and half months, \$1,000 per year, | | 208 32 |
| Jesse Wood, for cooking 69 days, from 5th March, to this date, 8s., | | 69 00 |
| G. W. Gorham, bill, May 21, for services as physician and surgeon for said prison, from 11th March, to this date, | | 40 50 |
| Paid on G. W. Gorham's account by auditor general, \$17 00. | | |

\$2,244 19

Jackson, May 21, 1839.

1839.

Benj. Porter, Commissioner of State Prison:

| | | |
|----------|---|---------|
| Feb. 24, | To making and finishing 32 shackles, | \$64 00 |
| | To making two cherries, (for musket and buck shot,) | 2 00 |
| | To making brass moulds for musket balls and buck shot, | 2 00 |
| | To one day's work, ironing prisoners and procuring rifles for guards, | 2 50 |
| | | <hr/> |
| | | \$70 50 |

I hereby certify the above account to be correct.

B. PORTER.

Late Acting Commissioner.

State of Michigan, Jackson county, ss.

Benjamin Porter, agent, and Corneal R. Ganson, clerk, of the state prison at Jackson, being sworn, say that the within report is true, according to the best of their knowledge and belief.

B. PORTER, *Agent.*

C. R. GANSON, *Clerk.*

Subscribed and sworn, this 22d day of May, A. D. 1839, before me.

IRA C. BACKUS,
President of the Board of Inspectors State Prison.

1839.

July 19, Allowed Ira A. Reed, as deputy keeper, from the 17th April, to 20th May, inclusive, 33 days, at \$500,
Allowed B. Porter, agent, from 17th April, to 24th June, at \$1,000 per year, \$186 30
H. HOWARD,
Auditor General.

State Prison, Jackson, June 24, 1839.

To the Board of Inspectors:

The agent respectfully reports, that the following is a correct statement of moneys due to the undermentioned persons, for services rendered at the state prison, from the 21st day of May, A. D. 1839, to the 24th day of June, A. D. 1839.

1839.

| | |
|--|---------|
| June 24, Due B. Porter, for services as agent of said prison, for 34 days, at \$1,000 per annum, | \$98 60 |
| " Ira A. Reed, for services as deputy keeper, at \$500 per annum, | 49 30 |
| " Michael Harragan, as guard, 34 days, at \$1 25 per day, | 42 50 |
| " Thomas Cough, as guard, 34 days, at \$1 25 per day, | 42 50 |
| " Patrick Cough, from 21st May to 4th June, 14 days, at \$1 25 per day, | 17 50 |
| " Aretus Dunn, from 4th June to 16th June, 12 days, at \$1 25 per day, | 15 00 |
| " C. S. Elwell, from 4th June to 24th June, 20 days, | 25 00 |
| " Levi Morley, from June 17th to June 19th, 2 days, | 2 50 |
| " Nathaniel Harman, from June 19th to June 24, 5 days, | 6 25 |
| " J. W. Elliot, for 35 days, at \$1 25 per day, | 43 75 |

Carried forward,

| | | | | |
|---------|----|--------------------------------------|----|----------|
| | | Brought forward, | | |
| May 24, | To | S. W. Stowell, Dr. | | |
| | " | 1 bedcord, for bed, 3s. | | 38 |
| | " | 1 box pills, by Reed, 3s. | | 38 |
| 30, | " | 3 pounds lard, at 1s. 4d. per pound, | | 50 |
| | " | 1 bottle ink, 15 cts, | | 15 |
| June 4, | " | 3 pounds lard, at 1s. 4d. | do | 50 |
| 8, | " | 4 do do | do | 64 |
| 4, | " | 8½ do do | do | 54 |
| | " | 4 buckles, 2s. | | 25 |
| 22, | " | 2½ pounds lard, do | do | 41 |
| | | | | <hr/> |
| | | | | \$346 65 |

State of Michigan, Jackson county, ss.

Benjamin Porter, agent, and Joseph Septimus Ward, clerk of the state prison at Jackson, being sworn, say that the above statement is correct and true, according to the best of their knowledge and belief.

B. PORTER, *Agent.*

J. S. WARD, *Clerk.*

Subscribed and sworn, this 26th day of June, A. D. 1839, before me.

ALLEN BENNET, *Chairman.*

| | | |
|---|---|----------|
| Allowed B. Porter, agent, for services from the | | |
| 17th April to 24th June, the date | | |
| of act, to the day his services ceased, | | |
| at \$1,000 per year, 68 days, | | \$186 30 |
| " | Ira A. Reed, his services as deputy keeper, | |
| | including the within mentioned | |
| | services, 88 days, at \$500 per | |
| | annum, | 113 15 |
| | | <hr/> |
| | | \$299 45 |

H. HOWARD,
Auditor General.

STATE lived at the prison ; also, their

| Names of men committed. | Discharged. |
|------------------------------|------------------------------|
| John McIntyre January, 1839. | |
| Abner Johns February, | Escaped 24th June, 1839. |
| John Green, January, | |
| Robert Thon do | |
| John Bell, do | Discharged 20th July, 1839. |
| Tully Buxton do | |
| Henry Belk do | Escaped 24th June, 1839. |
| James Willia do | Discharged 10th July, 1839. |
| Samuel D. M do | |
| James Wead February, | |
| Jacob Briggs January, | Discharged 11th April, 1839. |
| Charles Smit March, | |
| Orson Ingers April, | |
| Robert White do | |
| Edwin Doss, do | |
| Peter Borde May, | |
| Francis Duck do | |
| Peter Allord, do | |
| Eleazer Ray, do | |
| John Hill, do | |
| William Jack do | |
| Joseph Roger do | |
| James Taylor do | |
| Abraham Syl do | Escaped June, 1839. |
| Peter Traxler do | Escaped 24th June, 1839. |
| James Tobias do | |
| John H. Sand do | |
| Major Ward, do | Escaped 24th June, 1839. |
| John McDon do | |
| Daniel Jennis June, | Escaped 11th October, 1839. |
| Alanson Park do | Escaped 29th July, 1839. |
| George F. Bu October, | |
| Peter Vallee, do | |
| Erastus Brow November, | |
| David Ostrand do | |
| [Sen. Doc.] | |

[No. 13.]

Report of the Committee on Finance, on reference of the Report of Auditor General and State Treasurer to said committee:

The committee on finance, to whom was referred the report of the auditor general and state treasurer, and the accompanying documents, have had the same under consideration, and have the honor to present the following report in part, reserving for a future communication such subjects, not herein referred to, as may claim their attention:

The committee avail themselves of the occasion to express their approbation of the systematic and skillful regularity which characterize these documents, containing as they do, a detailed account of the receipts and expenses of the year, both on account of the civil list and of the internal improvements of the state, together with much valuable information respecting the operations of the laws concerning taxes, the present and prospective condition of the treasury, and the state of the public debt.

The balance appearing against the treasurer, is as follows:

| | |
|---|--------------|
| On account of fund for state buildings, | \$449 75 |
| Allegan and Marshall railroad, | 60,000 00 |
| Primary school fund, | 3,673 86 |
| Contingent fund, | 1,334 23 |
| Internal improvement fund, | 752,066 45 |
| Primary school fund, | 2,651 18 |
| Safety fund banks, | 1,335 52 |
| | <hr/> |
| | \$836,679 56 |

The balances in his favor are,
The Ypsilanti and Tecumseh railroad,

| | |
|--|------------|
| | \$1,530 00 |
| Sinking fund, | 302,143 23 |
| Bank fund, | 1,335 52 |
| State of Michigan general expense account, | 17,043 77 |
| | <hr/> |

\$322,052 52

Balance,

\$514,627 04

Which balance consists of,

| | |
|---|------------|
| Cash in the hands of treasurer, | 2,890 73 |
| Draft, bank of Ypsilanti, in hands of P. Morey, attorney general, | 10,000 00 |
| Balance due by Michigan state bank, | 477,691 37 |
| Deposite in bank of Michigan, | 24,044 94 |
| | <hr/> |

\$514,627 04

So that the only available funds in the treasury, consisted, at the date of the reports, of cash on hand, and deposited in the bank of Michigan, which funds your committee learn have been since exhausted by the payment of pre-existing warrants, and of salaries of state officers, &c., to the 31st of December.

The committee on finance in the senate, having usually performed the duties ordinarily devolving upon a committee of ways and means, your committee have carefully examined the documents referred to them, with a view to ascertain the present condition of the finances of the state, and to enable them to suggest to the senate such measures as seem to be necessary for the due administration of the government, and the preservation of the public faith.

By the auditor's report, on the state of the treasury, it appears that on the 30th of November, 1839, a balance remained due to the treasurer, on account of current expenses of the state, of

\$27,651 85

The expenses of the year, 1840, are as follows:

| | |
|--------------------------------------|--------------------|
| Salaries of state officers, | \$22,625 00 |
| Legislature, | 40,000 00 |
| Apprehending fugitives from justice, | 1,000 00 |
| Miscellaneous, | 5,000 00 |
| Interest on state bonds, | 25,170 00 |
| Wolf bounties, | 1,500 00 |
| Library, | 1,000 00 |
| Contingent fund, | 1,000 00 |
| Printing laws, journals, &c., | 8,000 00 |
| | <hr/> 105,295 00 |
| | <hr/> \$132,946 85 |

The probable receipts for the same period are estimated at,

| | |
|------------------------------|--------------------|
| Direct taxes, | \$95,000 00 |
| Specific taxes, | 13,000 00 |
| Interest on loans, | 7,400 00 |
| Due for taxes 1838 and 1839, | 23,970 00 |
| | <hr/> \$138,370 00 |

It is the opinion of the committee, that the extreme embarrassments of the country, and the very limited amount of money in circulation in the state, will render the collection of these taxes, to a great degree, impracticable, and that it would be unwise to depend upon them for means to pay the state expenses, all of which are so imperious in their nature, that much distress would ensue at home, and a great injury to the credit of the state abroad, upon a failure to meet them with promptitude and regularity.

Upon reference to the action of the legislature on this subject at their last session, your committee learn that under similar circumstances, it was thought wise to provide against the contingency of failure in the estimated receipts of the treasury, by transferring from the internal improvement fund, to the credit of the general fund, the sum of \$80,000 00. This course was justified on the ground that a previous legislature had transferred to the internal improvement fund, from the general fund, temporarily, the sums accruing to the state from the division of the surplus moneys of the United States.

Your committee perceive no objection to such a course on the present occasion.

It will be seen that the sum so transferred at the last session, was inadequate to the wants of the state, and on this account as well as on account of the increased difficulty in collecting the taxes, they recommend that the sum of \$100,000 00 be transferred from the internal improvement fund to the general fund, on account of the balance remaining due to the latter fund as above stated.

Your committee have endeavored to ascertain the amount of the present indebtedness of the state on account of internal improvements, but they are not able, from the documents in their possession, to state with precision the sum due. It appears, from the auditor general's report, that on the 30th of November last, there was in circulation unpaid warrants amounting to

\$80,681 31

By reference to the report of the commissioners of internal improvement, it appears that on the 30th of November last, the commissioner on the southern railroad had in his hands unpaid "estimates," (not included in the last item,)

84,000 00

which sum, however, exceeds considerably the unexpended balance of appropriation for that road.

And in the same report is stated that there remains due upon a contract for iron, (not yet delivered.

80,000 00

The sums due upon the central and northern roads, and upon the Clinton and Kalamazoo canal, are not stated in the report. It will not be deemed extravagant, however, to estimate the labor performed upon these lines of improvement, and that upon the southern road, since the date of the report of the commissioners, at

100,000 00

Carried forward,

•

| | | |
|---|-----------------------------|----------------------------|
| Brought forward, | | |
| The sum proposed to be transferred on account of the civil list, is | | 100,000 00 |
| Making a total of | | <u>\$444,681 31</u> |
| The sums accruing to the treasury, from the five million loan, for the year 1840, are as follows: | | |
| 1st April, 1840, | | 268,750 00 |
| 1st July, 1840, | \$272,500 | |
| Less 6 months' interest, on loan, 150,000 | | |
| | <u> </u> | 122,500 00 |
| Oct. 1st, 1840, | | 276,250 00 |
| Jan. 1st, 1841, | 280,000 | |
| Less 6 months' interest on loan, 150,000 | | |
| | <u> </u> | 130,000 00 |
| | | <u><u>\$797,500 00</u></u> |

From this statement it is clear that the whole of the first two instalments coming due, together with a part of the third, will be exhausted by the payment of the outstanding claims, and the opinion is entertained by your committee that the sums falling due by the state, under existing contracts, will probably consume the remainder of the four accruing instalments.

It is obvious, therefore, that the honor and interest of the state require the immediate action of the legislature, as well to provide for the present claims upon the treasury, as to arrest further expenditure, until a careful revision of the whole system of internal improvement shall be effected.

With a view to the first of these objects, your committee, pursuing the method adopted by the legislature on this subject, at its last annual session, beg leave, herewith, to present a bill authorizing the auditor general to anticipate the instalments due upon the five million loan; and also a bill directing the transfer of the sum of one hundred thousand dollars, from the internal improvement fund to the general fund.

Your committee have adverted to that part of the auditor general's report which relates to the omission of that officer to keep distinct accounts with each of the appropriations of the legislature, from which it appears that since the organization of the state government, no method has existed, by which could be ascertained, at any given date, the actual condition of the several appropriations. This is a capital error in the arrangement of the financial bureau, and it should be corrected without delay.

In the adoption of the plan suggested by the auditor general,

your committee deem it essential that it should include the operations of the state government, in reference to the internal improvement fund, from the beginning of the expenditures out of that fund, and they offer a resolution accordingly.

All of which is respectfully submitted.

D. G. JONES,
Chairman.

[No. 14.]

Report of the Committee on state affairs, on the petition of Herman Landon and others, for extension of time for collection of taxes for year 1839.

The committee on state affairs, to whom was referred the petition of Herman Landon and others, inhabitants of the town of Springport, in the county of Jackson, praying an extension of the time, limited by law, for the payment of their state, county and township taxes, for the year 1839, having had the same under consideration, would respectfully report :

That they are aware that the prompt and punctual payment of the taxes, so necessary to carry on the affairs of government, within the time limited by law, cannot, in ordinary times, and under ordinary circumstances, be too forcibly or summarily coerced. The extension of the period of payment of the just dues of government, beyond the time heretofore prescribed by our statutes, is an extremely dangerous precedent to be held forth to those who may follow after us in the administration of the affairs of this state. The doctrine of expediency, which teaches us to put off the evil day (which must one time or other come upon us) as far as possible, however well it may answer for individual purposes, is one ever to be most carefully avoided in a government. The exercise of forbearance and leniency now, in the collection of their taxes, might have a tendency to produce a laxity, and perhaps a total neglect of effort on the part of the tax payers to accumulate and pay over to the collectors, within the prescribed period, the amount of their yearly taxes; hereafter, influenced by the mistaken idea, that they might ask, and as easily receive from a future legislature, the same favor that they now ask from our hands, but without the co-operation of the same powerful causes that now move us.

Your committee find, upon inquiry, that the taxes for the year 1839, in most of the counties in this state, are double, and in some of them even quadruple, to what they have been for previous years. This enormous excess of taxation over that of

other years, has not arisen in consequence of the increased expenditures of the state government, for we find the state tax remains nearly the same as heretofore; but it arises from the unparalleled expenditure of the various counties for county purposes, such as the erection of court houses, jails and poor houses, and such other buildings as new counties are under the necessity of providing. Another cause of this excess of taxation, may be found in the multiplicity of new roads, which are constantly being laid out and worked, as a matter of the utmost necessity, in a new country, rapidly populating in every part and portion, however wild. Still another cause, and one too, which has occasioned by far the most complaint, although it has a holy and glorious end in view, may be found in the expense unavoidably requisite to the creation of school districts, the erection of proper and comfortable school houses, and for the support of schools. But as our country advances in improvement, these, with other causes of taxation, ever incident to the settlement of a new country, will happily pass away, while the ability to sustain it will constantly be on the increase. In view of these causes, and of the great and unparalleled scarcity, we might almost say, of the total absence of that circulating medium so necessary to our prosperity, mainly produced by the explosion, and consequent ruin, of the many brilliant, fair, and promising, but baseless, banking schemes, which have found a creation, an existence, and a grave, within our borders; and in view of the utter absence of all demand for our grain, at present existing, which is almost the only resource to which we are to look for the necessary means with which we can carry on our government, occasioned by the unparalleled bountifulness and abundance of that harvest, with which a beneficent Creator has seen fit in his wisdom, during the past year, to reward the labor of the husbandman, alike in every clime and in every land, your committee have thought it proper to recommend that the prayer of your petitioners be granted, by extending to them, and to every other town in the state, the forbearance which they have asked for themselves only. In pursuance of this resolution, they have instructed me, as their chairman, to report a bill to extend the time for the collection of taxes for the year 1839.

WM. L. GREENLY, *Chairman.*

[No. 15.]

**Report of the majority of the Committee on Finance
on the communication and accounts of the State
Geologist, for 1839.**

The committee on finance, to whom was referred a communication from the state geologist, accompanying his account for the year 1839, report:

That your committee have carefully examined said accounts, together with the vouchers substantiating the same, and express their opinion that the moneys have been economically expended, and that the accounts and vouchers are in all respects correct, and that they have been kept with an accuracy and precision highly creditable to the gentleman having charge of this department; and that the total amount of the expenditures detailed in said accounts, is within the amount of the fund placed under the control of the state geologist by an act entitled "An act making appropriations for the improvement of the salt springs," approved January 28, 1839.

And that your committee would further report, that of the amounts expended under the act aforesaid, the state geologist did on the 24th day of September, receive the auditor general's warrant for the sum of one thousand dollars, (\$1,000,) and also on the 8th day of October, he received the auditor general's warrant for the further sum of seven hundred dollars, both of which warrants in consequence of the deficiencies then existing in the treasury, were exchanged for twelve months' post notes; and it further appears that on the 14th day of November, the auditor general's warrant was issued to him for the sum of three thousand three hundred dollars, on which, nothing has as yet, been received.

By reference to his accounts and vouchers, it appears that when this last warrant of three thousand three hundred dollars shall be paid by the treasurer, there will remain in his hands the sum of one hundred one dollars and seventy-one cents; thus showing that he has actually advanced to the state, for the purpose of sustaining the work under his charge, the sum of three thousand one hundred and ninety-eight dollars and twenty-nine cents.

It is also evident that he has sustained a loss of discount upon the disbursement of a portion, at least, of the post notes received, and as no part of these discounts and interest upon moneys advanced has been charged in his account, to the state, (and as we have reason to believe is not intended to be so charged by him,) your committee deem these facts ample evidence of the desire of the state geologist to meet the contracts enter-

ed into by him, as well as of the deep interest he takes in the subjects placed under his charge.

All of which your committee would respectfully submit, and ask to be discharged from the further consideration of this subject.

D. G. JONES,
JUSTIN RICE.

[No. 16.]

Report of the minority of the committee on Finance, upon the same subject.

On examining said communication, and the report of the same officer of the 7th January, 1839, (to which the communication under consideration refers,) together with the enactments of the legislature, of 1838 and 1839, the minority of your committee find, that by an act, approved March, 24, 1838, there was \$3,000 appropriated to be expended under the direction of the state geologist, for the improvement of one or more of the salt springs.

By the report above referred to, dated January 7, 1839, the amount expended previous to that time, as stated in that report, was \$3,886 19, exceeding the appropriation by \$886 19. The state geologist also states in that report, as follows, to wit: "With a sufficient appropriation for the current year, we may hope to be able to make such additional improvements in the grounds as will be required to erect workshops, &c., to complete the shafts to the rock, and secure them from the influx of fresh water. There will be required for this purpose, under a system of rigid economy, the sum of \$12,350 which estimate will include the amount of \$886 19, before stated to have been advanced upon the works in progress."

By an act approved January 28, 1839, there was a sum not exceeding \$15,000 appropriated to be applied to the improvement of the salt springs, by a previously existing law. By the accounts and vouchers accompanying the report of the state geologist, under date of January 9, 1840, there has been \$14,898 29 expended of the \$15,000 that were appropriated, and the work is not yet complete, but we are informed that a further appropriation will be necessary.

The state geologist has very modestly and candidly informed the legislature, that the charge of the mechanical portion of the duties connected with the improvement of the salt springs is nearly incompatible with the other duties he is directed to perform, and suggests the policy of so far modifying the pre-

sent duties of state geologist, as to release him from the duties and responsibilities connected with the disbursements and superintendence of the improvement of the salt springs.

The state geologist has also called the attention of the legislature to the salt spring lands, and to the waste of timber that is committed upon them, and to the propriety of rendering some of these lands available by lease or otherwise, with a view of eventually refunding to the internal improvement fund the money which has been borrowed from it, and expended in the improvement of the salt springs.

The minority of your committee are of opinion, that the following subjects should be investigated.

Whether, under existing circumstances, a further appropriation for the improvement of the salt springs be advisable, and if so, what amount.

What modification of the laws are necessary, relative to the duties of the state geologist and the improvement of the salt springs.

And also, whether any legislation, and if any, what, be necessary, relative to the salt spring lands.

And also, in case it should not be thought advisable to make any further appropriation for the improvement of the salt springs, what measures will be necessary for the preservation of the \$18,000 worth of property at the springs at Grand river and Tittabawassa.

SAMUEL ETHERIDGE,
Minority Committee on Finance.

[No. 17.]

Report of the Select Committee on State Geologist's report and accounts relative to improvement Salt Springs, &c.

The select committee, to whom was referred the report and accounts of the state geologist, relative to the improvement and progress of the state salt springs, together with the reports of the former committee, to whom the same was referred, report:

That they have given mature consideration to the several subjects referred to them, and in order to present their views in the most intelligible manner, they would direct your attention to all those state interests which this subject involves. Your committee first call attention to the fact, that by one of the acts, by which we were admitted to the rights and privileges of a state, we were granted, by way of gift, or donation,

twelve salt springs, and six sections, as contiguous to each spring as may be, with the proviso that these lands so donated, should not be sold or disposed of by the state; nor should they be leased at any time, for a term exceeding ten years. And your committee upon examination, find that the whole of the seventy-two sections of land, thus donated, have been selected, and that most of the selections have been already confirmed to the state. All these lands are lying in a condition at present, totally unproductive; and your committee are satisfied, that portions of them have absolutely suffered in value, in consequence of the destruction of timber, committed upon them by depredators. These lands amounting to more than forty-six thousand acres, and which, apart from the increase of value which may accrue in consequence of the salt springs, are richly worth at least five dollars per acre, amounting to the sum of two hundred and thirty thousand dollars, must be regarded as a gift from the United States, in consideration of the testing of their value for the production of salt. That this was the intent, is clearly shown by the act which expressly prevents the sale; thus making it a matter of prior necessity, that their worth, as salt spring lands, be determined before they can be rendered of any direct value to the state. Your committee are therefore firmly convinced, that no steps can, in good faith on our part, be taken to dispose of these lands, until the whole subject of their value as salt lands, be determined; nor would they deem it for the best interest of the state to do so, were the lands otherwise situated.

The selections of the salt spring lands have, without doubt, been as judiciously made, for the purposes intended, as could have been done under the circumstances. And your committee believe, that the lands which have been selected, embrace those points which offer the greatest prospect of success. The state geologist, under the act directing him to commence improvements at the salt springs, selected two points, one near the rapids of Grand river, in Kent county, and the other upon the Tittabawassa river, in Midland county. These points are stated by him as offering greater inducements than any other, for these improvements. He reports that he has made personal examinations of the springs of Ohio, Pennsylvania and Virginia, which are similarly situated with those of our own; and that those of our own state, offer quite as favorable inducements as any of those in the states alluded to. It is well known, that the salt springs of Ohio, Pennsylvania and Virginia, are at this time, and have been for many years, extensively and profitably worked, and that they have added largely to the wealth and prosperity of the surrounding country. The country embraced in the valleys of Grand, Maple and Tittabawassa rivers, is represented to be similarly situated, with res-

pect to the geological position of the rock, to the salt districts of the state mentioned, and the prospects of success, at least equal. The surface water is represented equal in strength to that of the springs in the adjoining states before the improvement of the same; and the water obtained by the improvements already made, to be superior to that first used for the manufacture of salt at Kanawha, Virginia.

With these facts before them, your committee are fully of the opinion that the prospects of success offered by a continuance of the improvements in progress, are such as not only to warrant their continuance, but also, that the best interest of the state demand it. It is of great importance that the staple article of salt, the imports of which is yearly causing a very heavy drain upon us, (of not less than one hundred and fifty thousand dollars,) should, if possible, be produced at home; and if there be within our own soil a reasonable prospect of obtaining the necessary supply, the time should not be suffered to pass by for securing the benefits it holds out to us; save the amount of money now sent abroad for the purchase of the article itself, to which the cost of transportation is to be added, but we also create at home a market for our otherwise surplus produce. We aid in the settlement of our unoccupied lands, and we reap direct resource from the manufacture of the salt itself; in addition to all this, the value of the lands held by the state must necessarily be greatly enhanced by the success of the undertaking.

In whatever light the subject be viewed, there can be no doubt with respect to the policy which the state ought to adopt in regard to the large interest which she holds in the salt springs and salt spring lands; for it ever has been regarded as extremely impolitic for any state to hold large and unproductive tracts within her own territory. Our interest in these lands is such that nothing available can be done until it be determined to what purpose they shall be applied, and until this shall be determined, we are losing annually an interest, which may be safely estimated at fourteen thousand dollars; at least this amount may be estimated as the absolute loss sustained, even should the lands prove of no importance for the purposes anticipated by the grant; but the examination designed to determine the value of the lands for the purpose mentioned, have so far progressed as to add confidence to the hope originally entertained of success; and the simple question that now remains is, whether we shall carry the contemplated work to completion, and thus place the lands in a condition to be available to the state, or whether we shall abandon the improvements and suffer the loss of the amount which has been already expended, added to the annual interest upon the value of the lands.

The geologist, in his first report upon this subject, called attention to the many embarrassments and difficulties which surround the first examination, which may be made in a new district of country, together with the almost utter impossibility of arriving at correct estimates of the absolute cost of the work until it be completed. In conducting works of this character, your committee are well aware that many unlooked-for embarrassments and delays must of necessity occur; but they are also satisfied, that these difficulties ought, in no wise to be suffered to prevent the completion of an undertaking of such vital importance to the whole interest of our state.

The amount which has already been appropriated from the internal improvement fund for the improvement of the salt springs, may be regarded as so much loaned to the salt fund, which amount will, whatever may be the final result of the trial, be returned to the treasury of the state with an abundant interest; an amount which, were the value of the salt lands, as they now are, properly invested, would be nearly returned from interest alone in a single year. Whatever further appropriations may be made for this object, must be regarded in the light of a loan to the salt fund.

In this view of the subject, your committee are of opinion, that the interest of the state demands that the appropriation for these improvements should be continued until the whole subject be fully tested. We would, therefore, urgently recommend that such appropriations be made as will cause the works to progress with all the rapidity which the circumstances may warrant; and in order to carry this fully into effect, your committee would recommend an appropriation for that object of fourteen thousand dollars, which is believed to be sufficient to test the value of the springs.

The state geologist, in his last report upon the subject of the state salt springs, calls the attention of the legislature to the difficulties that is involved in submitting to his direction the mechanical part of the improvements in progress, in consequence, as well of other onerous duties he is called upon to perform, as from the fact that the faithful performance of those duties not unfrequently call him to points where he is unable to communicate with those carrying forward the works at the salines in question. A full examination of the subject has led your committee to arrive at a similar conclusion, and they are firmly of the opinion that it is beyond the power of that officer faithfully to discharge both these trusts.

They would, therefore, recommend that so much of the duties of the state geologist as relates to the mechanical part of the improvements in progress at the salines, be transferred to the board of internal improvement.

HENRY P. BRIDGE,
Chairman Select Committee.

[No. 18.]

State Geologist's account current for the year 1839,
the same being the subject matter of the three pre-
ceding reports.

OFFICE OF STATE GEOLOGIST, }
Detroit, January 10, 1840. }

To the Honorable President of the Senate:

SIR—I have the honor to transmit to the honorable senate,
the accompanying accounts from this department for 1839.

Full vouchers substantiating the same, have this day been
transmitted to the honorable the house of representatives.

I am, sir, very respectfully,

Your obedient servant,

DOUGLASS HOUGHTON,
State Geologist.

*The State of Michigan, in account with Douglass Houghton,
State Geologist.*

DR.

1839.

| | | | | |
|------|-----|---|---------|----------|
| Jan. | 1, | To cash paid Emerson, Moore, & Co., as per bill rendered, | | \$450 00 |
| | | do J. L. Wheeler, | \$18 00 | |
| | 2, | do G. & J. G. Hill, | 13 98 | |
| | 6, | do Detroit iron Co., | 68 00 | |
| | | | | 99 98 |
| | 12, | do Jas. Watson, | | 288 54 |
| | 21, | do H. Williams & Co., | 102 65 | |
| | 22, | do J. Roberts & Co., | 8 35 | |
| | 25, | do J. J. Riordan, | 40 79 | |
| | 30, | do Sundry items of post- age on letters, | 50 | |
| | | | | 152 38 |
| Feb. | 11, | do John Kenyon, | 20 00 | |
| | 19, | do DeGraff & Townsend, | 12 00 | |
| | 21, | do F. Chubb, | 113 26 | |
| | 28, | do Postage on letters for Feb. 1839, | 1 02 | |
| | | | | 146 28 |
| Mar. | | do Jas. A. Kent, | 4 44 | |
| | | Carried forward, | \$ | \$ |

| | | | | |
|----------|--------------|-------------------------|--------|----------|
| | | Brought forward, | | |
| Mar. 6, | To cash paid | DeGraff & Town- | | |
| | | send, as per bill | | |
| | | rendered, | 4 50 | |
| | do | Randolph & Brother, | 20 00 | |
| | do | McGraw & Knight, | 1 56 | |
| 12, | do | J. B. Garland, | 16 25 | |
| 13, | do | R. H. Renwick, | 5 00 | |
| 15, | do | A. Bruno, | 83 31 | |
| 17, | do | A. G. Pratt, | 198 55 | |
| | do | Loren Parsons, | 99 18 | |
| | | | | 480 74 |
| | do | J. J. Riordan, | 85 58 | |
| 18, | do | Wm. H. Nelson, | 185 00 | |
| 25, | do | C. Wilse, | 67 50 | |
| | do | S. Barnes, | 10 00 | |
| | do | C. Cronkwright, | 31 00 | |
| | | | | 329 08 |
| | do | Thos. McCarty, | 30 00 | |
| | do | A. F. Hayden, | 100 00 | |
| | do | O. Crane, | 6 50 | |
| 26, | do | H. Williams, | 75 80 | |
| | do | Jas. Fraser, | 20 50 | |
| 30, | do | for board of men, (no | | |
| | | receipt,) | 2 37 | |
| 31, | do | Postage, ac't for Mar., | 82 | |
| | | | | 235 99 |
| April 2, | do | A. Bruno, | 83 31 | |
| 9, | do | Wm. Merrill, | 21 45 | |
| | do | S. L. Rood, | 2 88 | |
| | do | G. & J. G. Hill, | 3 75 | |
| 13, | do | Wm. Darby, | 45 77 | |
| 19, | do | DeGraff & Townsend, | 153 50 | |
| | | | | 810 26 |
| | do | J. L. Whiting & Co., | | 1,167 98 |
| 20, | do | J. L. Whiting & Co., | 41 41 | |
| 30, | do | Postage and sundry | | |
| | | other small items, | 3 59 | |
| | | | | 45 00 |
| May 1, | do | Wm. H. Nelson, | 135 00 | |
| | do | Wm. H. Nelson, | 125 49 | |
| | do | Geo. H. Powell, | 79 35 | |
| | do | Samuel Westbrook, | 14 38 | |
| | do | James P. Allen, | 63 87 | |
| | | | | 418 09 |
| | do | Geo. Myers, as per | | |
| | | bill rendered, | 41 77 | |
| | do | John C. Allen, | 68 23 | |
| | | | | |
| | | Carried forward, | | |

SENATE DOCUMENTS

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| | | | | | |
|-----|-----|--------------------------------|-----|----|--------|
| | | Brought forward, | \$ | \$ | |
| May | 1, | To cash paid Loren Parsons, as | | | |
| | | per bill rendered, | 59 | 45 | |
| | do | J. J. Riordan, | 43 | 03 | |
| | do | A. G. Pratt, | 34 | 36 | |
| | do | W. D. Whitlock, | 130 | 13 | |
| | | | | | 376 97 |
| | 3, | do A. T. Nelson, | 48 | 88 | |
| | | do Luke Wellington, | 14 | 08 | |
| | | do Thos. Nelson, | 190 | 66 | |
| | 4, | do Wm. Renwick, | 7 | 19 | |
| | | do A. F. Hayden, | 24 | 00 | |
| | | do Geo. Davis, | 1 | 13 | |
| | | do D. Lyon, | 8 | 00 | |
| | | | | | 302 94 |
| | | do T. L. Howe & Co., | 5 | 19 | |
| | | do A. F. Hayden, | 218 | 73 | |
| | | do N. Little, | 76 | 19 | |
| | | do John Bruno, | 49 | 31 | |
| | | do Gordon & Barker, | 21 | 00 | |
| | | do Geo. Raby, | 7 | 50 | |
| | | do T. L. Howe & Co., | 31 | 32 | |
| | | | | | 409 24 |
| | | do G. D. & E. Williams, | 100 | 97 | |
| | | do A. Van Haun, | 22 | 75 | |
| | 5, | do E. Jewett, | 7 | 88 | |
| | 6, | do A. D. Nelson, | 142 | 88 | |
| | 11, | do Keeny & Mullett, | 667 | 90 | |
| | | do J. T. Holmes, | 10 | 75 | |
| | | | | | 953 13 |
| | 14, | do J. J. Riordan, | 7 | 61 | |
| | | do P. G. & Mather, | 4 | 38 | |
| | | do W.N.Carpenter & Co., | 12 | 88 | |
| | 15, | do John Owen, | 24 | 06 | |
| | | do David Thompson, | 30 | 00 | |
| | 16, | do James Stewart, | 42 | 05 | |
| | | do F. Moore, | 8 | 70 | |
| | | | | | 129 68 |
| | | do S. Davis, | 9 | 80 | |
| | 20, | do John Wescott, | 15 | 32 | |
| | 21, | do Myron Roy, | 31 | 00 | |
| | | do J. F. Chubb, | 45 | 34 | |
| | | do J. J. Malden, | 1 | 13 | |
| | 22, | do Z. Bemis, | 9 | 81 | |
| | | do Robert Howlett, | 24 | 56 | |
| | | | | | 135 96 |

Carried forward,

[Sen. Doc.]

| | | | | | |
|------|-----|---------------------------------|-----|----|--------|
| | | Brought forward, | | | |
| May | 23, | To cash paid Smith, A. & Evans, | | | |
| | | as per bill rendered, | 39 | 97 | |
| | | do Cooke & Evans, | 26 | 66 | |
| | 24, | do Wezo Roys, | 1 | 00 | |
| | 25, | do S. Hosmer, | 3 | 00 | |
| | | do S. Wright, | 2 | 00 | |
| | | | | | 72 63 |
| | | do H. Gardinier, | 2 | 00 | |
| | | do A. Ducher, | 3 | 00 | |
| | | do Jas. W. McChesney, | 200 | 00 | |
| | | do C. S. Hart, | 134 | 09 | |
| | | do B. B. Huntingdon, | 98 | 00 | |
| | | do Jacob Lawrence, | 196 | 27 | |
| | | | | | 633 36 |
| | | do N. Hathaway, | 8 | 75 | |
| | 27, | do J. W. McChesney, | 126 | 53 | |
| | | do Z. Bemis, | 16 | 50 | |
| | | do R. Howlett, | 28 | 00 | |
| | | do Blake and Osgood, | 22 | 19 | |
| | 28, | do W. O. Lyon, | 1 | 53 | |
| | | do James Watson, | 370 | 70 | |
| | | | | | 574 20 |
| | | do Blake and Osgood, | 6 | 68 | |
| | | do Loyd & Nelson, | 36 | 25 | |
| | | do A. Sturgess, | 122 | 37 | |
| | 29, | do Cooke & Evans, | 3 | 62 | |
| | 30, | do Z. Bemis, | 16 | 50 | |
| | 31, | do A. Ducher, | 5 | 00 | |
| | | do postage, cartage, &c., | | | |
| | | for May, | 9 | 77 | |
| | | | | | 200 19 |
| June | 1, | do W. W. Peterson, | 2 | 00 | |
| | | do James Watson, | 1 | 75 | |
| | | do R. Morris, | 6 | 00 | |
| | | do Cook & Evans, | 9 | 75 | |
| | | do S. Harmon, | 6 | 00 | |
| | | | | | 25 50 |
| | | do S. Wright | 6 | 00 | |
| | | do Wm. Peterson, | | 50 | |
| | | do J. T. Holmes, | 6 | 98 | |
| | | do J. Watson, | | 50 | |
| | 4, | do J. Watson, | 1 | 75 | |
| | 5, | do B. B. Huntingdon, | 12 | 00 | |
| | 7, | do J. J. Baxter, | 10 | 00 | |
| | | | | | 37 73 |
| | | Carried forward, | | | |

SENATE DOCUMENTS.

319

| | | | | |
|------|-----|------------------------------|--------|--------|
| | | Brought forward, | | |
| June | 7, | To cash paid L. Gray, as per | | |
| | | bill rendered, | 15 00 | |
| | 8, | do Norman Little, | 38 00 | |
| | | do Cook & Evans, | 3 00 | |
| | 9, | do H. Gardinier, | 5 00 | |
| | 11, | do A. C. Pierce, | 10 25 | |
| | 13, | do W. D. Whitlock, | 21 85 | |
| | | | | 93 10 |
| | | do Cook & Evans, | 1 69 | |
| | 14, | do Detroit iron company, | 6 00 | |
| | 18, | do L. Parsons, | 17 00 | |
| | 20, | do E. Green, | 14 35 | |
| | 22, | do Blake & Osgood, | 12 56 | |
| | 24, | do Lake Michigan lumber | | |
| | | company, | 8 34 | |
| | | | | 59 94 |
| | | do H. Gardinier, | 5 00 | |
| | 26, | do Wm. H. Nelson, | 243 17 | |
| | | do A. A. Lull, | 4 84 | |
| | | do Geo. H. Powell, | 26 73 | |
| | | do S. Westbrook, | 46 11 | |
| | | do N. M. Barker, | 135 77 | |
| | | do A. T. Nelson, | 13 31 | |
| | | | | 474 93 |
| | | do H. G. Williamson, | 33 58 | |
| | | do Thomas Smith, | 122 82 | |
| | | do James P. Allen, | 21 52 | |
| | | do John C. Allen, | 46 11 | |
| | | do George Myers, | 46 80 | |
| | | do A. G. Pratt, | 36 69 | |
| | | do W. Sibley, | 29 19 | |
| | | | | 336 71 |
| | 28, | do E. Jewett, | 31 13 | |
| | | do T. L. Howe & Co., | 43 67 | |
| | 30, | do Postage, &c., for June, | 6 31 | |
| | | | | 81 11 |
| July | 1, | do Jas. Watson, | 48 | |
| | 2, | do Chas. Wheeler, | 1 00 | |
| | 3, | do F. Manyhan, | 5 00 | |
| | | do Wm. Roberts, | 1 00 | |
| | | do R. Carroll, | 3 00 | |
| | | do Geo. Rice, | 2 00 | |
| | | do James May | 1 25 | |
| | | | | 13 73 |
| | | do F. Hills, | 1 25 | |
| | | | | |
| | | Carried forward, | | |

| | | Brought forward, | \$ | \$ |
|------|-----|--|-------|--------|
| July | 3, | To cash paid H. Gardinier, as per bill rendered, | 7 00 | |
| | | do N. Gilden, | 1 00 | |
| | | do C. Sawyer, | 2 00 | |
| | | do E. Curtis, | 1 00 | |
| | 4, | do S. A. Cook, | 75 | |
| | | | <hr/> | 13 00 |
| | | do Jas. Watson, | 5 71 | |
| | 5, | do Wm. Brooks, | 1 00 | |
| | 6, | do Jas. Fraser, | 65 87 | |
| | 9, | do R. Sawyer, | 6 75 | |
| | | do J. W. Hopkins, | 4 00 | |
| | 14, | do Jas. McCabe, | 30 00 | |
| | 16, | do D. Hubbard, | 12 00 | |
| | | do John Bloom, | 22 00 | |
| | 19, | do Wm. N. Carpenter, | 36 68 | |
| | | | <hr/> | 184 01 |
| | 22, | do Jas. Watson, | 31 79 | |
| | 23, | do N. Hathaway, | 69 09 | |
| | | do C. Smith, | 27 00 | |
| | | do Wm. Allen, | 6 00 | |
| | | do F. Manyhan, | 7 00 | |
| | | do W. D. Foster, | 1 50 | |
| | 24, | do A. E. Sargeant, | 21 00 | |
| | | do R. Morris, | 66 00 | |
| | | do O. Witley, | 70 00 | |
| | | | <hr/> | 299 38 |
| | 25, | do Jas. Fraser, | 1 94 | |
| | | do A. Middleton, | 7 79 | |
| | 26, | do Smith, Aldrich & Evans, | 1 25 | |
| | | do J. W. Robbins, | 9 00 | |
| | | do Wm. Renwick, | 1 87 | |
| | 27, | do R. More, | 2 00 | |
| | | do J. Wheeler, | 2 00 | |
| | | | <hr/> | 25 85 |
| | | do R. Sawyer, | 3 00 | |
| | | do R. Brooks, | 1 00 | |
| | | do N. M. Sykes, | 1 00 | |
| | | do H. West, | 2 00 | |
| | | do L. H. Main, | 1 00 | |
| | | do J. McDonour, | 1 00 | |
| | | do Wm. Brooks, | 1 00 | |
| | 27, | do R. Carle, | 10 00 | |
| | | do N. Bliss, | 9 00 | |
| | | | <hr/> | 58 58 |

Carried forward,

SENATE DOCUMENTS.

221

| | | Brought forward, | \$ | \$ |
|-------|-----|---|-------|-------|
| July | 27, | To cash paid A. G. Pratt, as per bill rendered, | 29 58 | |
| | 28, | do John C. Allen, | 29 44 | |
| | 29, | do R. More, | 4 00 | |
| | | do D. McMahon, | 13 50 | |
| | | do Lyman Curtis, | 50 | |
| | 30, | do A. McFarlin, | 1 00 | |
| | | do E. Ferrin, | 12 00 | |
| | | do N. M. Sykes, | 1 50 | |
| | | | <hr/> | 61 94 |
| | | do D. Norton, | 1 00 | |
| | | do P. Guelot, | 30 50 | |
| | 31, | do Wm. Allen, | 1 50 | |
| | | do James May, | 2 50 | |
| | | do D. Govin, | 1 50 | |
| | | do T. Hansey, | 3 00 | |
| | | do Postage and amount paid for draft, | 9 29 | |
| | | | <hr/> | 49 29 |
| •Aug. | 1, | do M. Church, as per bill, | 3 00 | |
| | 2, | do R. Carroll, | 15 00 | |
| | 5, | do Higgenson & Wendell, | 2 50 | |
| | | do J. W. Pierce, | 2 88 | |
| | | do E. Jewett, | 6 00 | |
| | | do Z. Marion, | 1 00 | |
| | 7, | do D. E. Fisher, | 5 00 | |
| | | do L. French, | 1 00 | |
| | | do James Page, | 50 | |
| | | do T. Hand, | 2 00 | |
| | | do H. West, | 1 00 | |
| | | do Ira Wheeler, | 1 50 | |
| | | | <hr/> | 41 38 |
| | | do R. Brooks, | 5 50 | |
| | | do Ira Curtis, | 1 00 | |
| | | do Joseph B. Copeland, | 5 50 | |
| | 8, | do Cooke & Evans, | 15 75 | |
| | 9, | do Jas. P. Allen, | 24 80 | |
| | 12, | do Wm. Miller, | 1 25 | |
| | | do R. More, | 1 00 | |
| | 13, | do C. Smith, | 1 50 | |
| | | | <hr/> | 56 30 |
| | | do C. Metty, | 1 00 | |
| | | do R. Brooks, | 1 50 | |
| | 17, | do C. Sawyer, | 3 00 | |
| | | do R. Sawyer, | 5 00 | |
| | | do D. E. Fisher, | 21 50 | |
| | 28, | do J. W. Pierce, | 75 | |
| | | | <hr/> | |
| | | Carried forward, | \$ | \$ |

SENATE DOCUMENTS.

| Brought forward, | | | • | • |
|------------------|---|--------|---|--------|
| Aug. 26, | To cash paid R. More, as per bill rendered, | 2 00 | | |
| | do J. H. Ganies, | 1 50 | | |
| 31, | do Postage account for the month, | 1 10 | | |
| | | | | 37 35 |
| Sept. 2, | do Lewis & Godfroy, as per bill, | 50 00 | | |
| | do M. F. Dickinson, | 45 29 | | |
| | do DeGraff & Townsend, | 171 20 | | |
| | | | | 266 49 |
| | do Kenny & Mullett, | | | 832 19 |
| 16, | do F. Manyhan, | 10 00 | | |
| | do E. Linnon, | 79 30 | | |
| | do C. S. Hart, | 52 49 | | |
| | do Sylvester Harmon, | 50 00 | | |
| | do A. Edgerly, | 22 00 | | |
| | | | | 213 89 |
| 16, | do Joseph Baxter, | 193 00 | | |
| 17, | do J. L. Wheeler, | 13 12 | | |
| | do John Patrick, | 5 00 | | |
| | do H. Osgood, | 43 50 | | |
| | do George Wrykert, | 45 00 | | |
| | do Lk. Mich. lumber co., | 15 39 | | |
| | do N. Hathaway, | 34 30 | | |
| | | | | 349 31 |
| | do Ketchum & McRay, | 42 53 | | |
| | do L. French, | 13 50 | | |
| | do R. Carroll, | 61 75 | | |
| | do J. Holmes, | 1 63 | | |
| | do Wm. P. Steere, | 86 92 | | |
| 18, | do Lyman Gray, | 1 50 | | |
| | do N. Hathaway, | 75 | | |
| | do C. S. Hart, | 1 75 | | |
| | do Joseph Baxter, | 1 62 | | |
| | | | | 211 95 |
| | do Higginson & Wendell, | 1 25 | | |
| | do Lewis & Godfroy, | 5 00 | | |
| | do S. A. Cooke, | 61 58 | | |
| | do A. Roberts, | 4 99 | | |
| | do F. J. Higginson, | 5 00 | | |
| | do E. Dalton, | 3 75 | | |
| | do M. Roys, | 8 75 | | |
| | do D. Willard, | 4 00 | | |
| | do J. Wheeler, | 4 50 | | |
| | | | | |
| Carried forward, | | | • | • |

SENATE DOCUMENTS.

228

| | | | | |
|-----------|----|------------------------------------|--------|----------|
| | | Brought forward, | | |
| Sept. 18, | | To cash paid R. Howlett, per bill, | 74 87 | |
| | | | | 173 69 |
| | do | D. McMahan, | 5 00 | |
| | do | F. Manyhan, | 27 00 | |
| | do | B. Copeland, | 3 00 | |
| | do | James Watson, | 48 06 | |
| | do | N. Ringnet, | 16 00 | |
| | | | | 99 06 |
| | do | A. Goutier, | 22 00 | |
| | do | F. Neat, | 12 00 | |
| | do | N. Sleighton, | 3 00 | |
| 22, | do | George H. Powell, | 56 45 | |
| 26, | do | Jacob Lawrence, | 111 19 | |
| 30, | do | Postage for Sept., | 2 10 | |
| | | | | 206 74 |
| Oct. 2, | do | N. M. Barker, | 190 99 | |
| | do | John Imrie, | 23 00 | |
| | do | A. Goldsworthy, | 43 97 | |
| | do | H. G. Williamson, | 79 17 | |
| | do | George Myers, | 80 28 | |
| 3, | do | G. D. & E. Williams, | 118 62 | |
| | do | H. Williams, | 16 17 | |
| | | | | 552 20 |
| | do | Peter Guelot, | 80 57 | |
| | do | Thomas Nelson, | 47 82 | |
| | do | A. T. Nelson, | 47 28 | |
| | do | A. F. Hayden, | 30 60 | |
| | do | T. Smith, | 135 00 | |
| | do | Samuel Westbrook, | 39 87 | |
| | do | T. L. Howe & Co., | 32 16 | |
| | do | Chas. L. Richman, | 4 25 | |
| | | | | 417 55 |
| | do | Richman & Lyon, | 3 51 | |
| | do | A. Lull, | 48 94 | |
| | do | C. Cronkwright, | 10 87 | |
| 4, | do | Wm. H. Nelson, | 240 92 | |
| | do | E. Jewett, | 23 20 | |
| | do | W. P. Little, | 65 19 | |
| 8, | do | A. E. Sargeant, | 417 01 | |
| 9, | do | J. W. McChesney, | 184 48 | |
| 16, | do | J. L. Whiting & Co., | 513 19 | |
| | | | | 1,507 31 |
| 29, | do | Higgenson & Wendell, | 24 50 | |
| Nov. 11, | do | J. Stewart, | 234 65 | |
| | | | | |
| | | Carried forward, | | |

| | | | |
|----------|----------------------------------|-------------------|---------------------------|
| | Brought forward, | \$ | \$ |
| Nov. 30, | To cash paid postage account for | | |
| | the month, | 00 58 | |
| Dec. 30, | do Postage, | 00 75 | |
| | | <u> </u> | 200 46 |
| | Amount carried forward, | | <u><u>\$14,898 29</u></u> |

—

The State of Michigan in account with Douglass Houghton,
State Geologist,
 CR.

1839.

| | | | |
|-----------|---|-------------------|-------------------|
| Feb. 1, | By cash of state treasurer, | \$5,000 00 | |
| May 4, | “ do do do | 5,000 00 | |
| | | <u> </u> | \$10,000 00 |
| Sept. 24, | “ Warrant of auditor general on which 12 months' post notes were rec'd, | 1,000 00 | |
| Oct. 8, | “ Warrant of auditor general on which 12 months' post notes were rec'd, | 700 00 | |
| | | <u> </u> | 1,700 00 |
| Nov. 14, | “ Warrant of auditor general on which nothing has as yet been rec'd, | | 3,300 00 |
| | | | <u> </u> |
| | | | \$15,000 00 |

DR.

| | |
|--|------------------------|
| To amount brought forward from debit account, | |
| being the sum total of disbursements, | \$14,898 29 |
| | <u> </u> |
| Balance which, when received, will be on hand, | <u><u>\$101 71</u></u> |

DOUGLASS HOUGHTON,
State Geologist.

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[No. 19.]

Majority report of the Committee on Printing, relative to the appointment of State Printer, and the prices for public printing.

The undersigned, a majority of the members of the committee on printing, to whom was referred a resolution relative to

the appointment of state printer, and the prices for public printing, would respectfully report:

That in their opinion, the only valid objections which have been urged against the existence, or appointment of an officer designated as "state printer," have been based entirely or nearly so, on the ground of said officer being invested by law, with a monopoly of the public printing; and at prices fixed by law, at rates deemed by many at the time, as altogether too high. The force of these objections, the undersigned are not disposed at present to gainsay, or endeavor to refute. But with the amendments made to the original law, by the last legislature, together with the further amendments proposed in the bill accompanying this report, these objections would lose all the force, which, under other circumstances, they might have, or may formerly have had. There will, should the amendments now proposed be adopted, be no items of public printing, which the legislature, or either house, or any public officer, would not be at full liberty to have performed on as economical terms, as if no such officer were in existence, and be as free to consult the public interest as under any other system.

The undersigned would, therefore, deem it rather a matter of innovation, than a measure of reform, to abolish the office of state printer, as the public interest cannot be in any manner prejudicially effected by retaining the office, but their opinion, is consulted and materially secured thereby. The existence of the office is interwoven and recognized through all our statutes, and unless some important advantage or benefit to the state could be shown, to accrue from a change in this established feature of our laws, this of itself would afford a sufficient argument against any alteration. Instability in legislation, is an evil too much felt, and too liable to occur, especially in a new and rapidly growing community like ours, to be rashly encountered on every occasion, unless some imperatively demanded, and corresponding good is certain to result. And in this case, not only would a change seem to the undersigned, to be without any such corresponding good, but on the contrary, to be attended with much public inconvenience and injury. The only matters which would be exclusively confined to the state printer, or to the state paper, rather, which he is required to publish at the seat of government, would, under the existing provisions of law, and under the further modifications now proposed, be the publication of certain legal notices, and the publication of the laws, in a newspaper from time to time, as soon as practicable after their passage, and prior to their publication and distribution throughout the state, in pamphlet form, subsequent to the adjournment of the legislature, both of which duties, the undersigned regard as highly useful and advantageous to the citizens of the state, particularly to

many of our public officers, as well as a matter of much convenience to individuals interested in our legislative, executive or judicial proceedings, though residing without our territorial limits. And it surely cannot well be looked upon as a matter of little or no importance, to preserve the means of securing a correct and accurate publication of our legislative enactments, under the eye and immediate supervision of the proper officer that may be thus authorized to be received as evidence in courts of justice, or elsewhere, until their final promulgation in a more permanent and suitable form.

With these brief remarks, in explanation of the views taken by the undersigned, of the topics embraced in the resolution referred to the committee, they would conclude by respectfully recommending the passage of the accompanying bill, or of some act of a like effect.

JOHN J. ADAM,
JUSTIN RICE.

[No. 20.]

Minority report of the Committee on Printing.

The chairman of the committee on printing, to which committee was referred the following resolution:

“*Resolved*, (the house of representatives concurring,) That George Dawson be the printer for the state of Michigan, for the year 1840; and that the price for printing to be allowed to said printer, shall be fifty-six cents a thousand ems, for composition, and sixty cents a token, for press work,” begs leave to present this, his minority report:

That he has had the same under consideration, and considers it unnecessary to retain in the services of the state, by legal enactment, a printer to the state. Among the arguments and reasons urged for continuing the office, may be enumerated the following:

1st. The necessity of publishing the laws as soon as passed, and making them legal evidence for a certain time.

2d. The publishing of legal notices.

3d. The necessity, in the speedy prosecution of business before the legislature, of having a person to do the printing for both branches of the legislature, who is continued by legal enactment for the publishing the necessary documents for the public offices of the state, &c.

The undersigned, as one of the committee, has candidly reviewed all the different points submitted by the resolution, and from other sources, has come to the conclusion, the office of state printer ought to be abolished.

If the object is a general dissemination of the laws, so that every person can know them, the object is most signally defeated; for there is not one in every twenty voters of this state who takes a state paper or reads it. The other papers copy and publish the laws from the state paper, but receive no compensation for it. Then is it just or right, in reference to the publishers or the readers of the different papers in this state, that one should be supported from the treasury of the state, and the others from private subscription? and this as well refers to all legal notices as to the publication of the laws.

In the first place, it is an anomaly in a republican government, that a person should be appointed to do any service for the state, purely of a mechanical character. It might be urged with the same propriety, the appointment of a state railroad or canal builder, as a state printer. Cannot the object be obtained with as much facility, with less expense, and give as much general satisfaction, by letting the same out by contract? requiring for the state printing the same security for the performance of the labor, as would be required in other cases for the same amount of work to be done. The minority of your committee believe the powers and duties assigned to that individual are wholly unnecessary, and are not required by public policy or the wants of the community. It is nevertheless, the fact that our legislative enactments are more or less, identified with the existence of office, and great care and circumspection should be taken in the manner of severing the state from it; but for what useful or beneficial purpose it should be retained, he is at a loss to determine. The minority of your committee is of the opinion that the law itself is at variance with the spirit of our institutions—a monopoly of a most dangerous kind—a delegated power, in bad hands, capable of doing incalculable mischief—calculated, in its tendency, to form a nucleus around which sordid ambition, aspirants for office, and party demagogues may rally, in order to carry out *their* peculiar views of public policy, which, very frequently, is self-aggrandizement, and the means of an entire revolution in the affairs of state for their own personal and pecuniary benefit.

That there should ever have been called into existence, in a republican government, like ours, such an officer as state printer, is a matter of surprise, when it is believed, and justly too, that the citizen, high or low, is always upon the watch-tower, looking out for the first insidious attack upon the common liberty or freedom of the body politic.

That the tendency of this appointment is against the liberty and equal rights of the citizen, no one can doubt, who has given heed at all to the dictation and authority exercised by government printers, as well national as state. And the minority of

your committee confidently appeals to the history of the last ten years for the truth of the position.

Precedent, in some of the states of this union, may be urged in justification of the appointment. So may precedent be urged for every attack upon the liberties of the people, for the usurpation and consolidation of power in the hands of the few, from the first act of despotism to the present day. In the views of the minority of your committee, there is no rational doubt that the tendency of the office is at variance with our republican institutions, and against the views of a large majority of our fellow citizens. The printing ought to be left open to competition as much as the building of a house or any thing else. The many and insuperable objections to the investing any man with the power which the state printer must always possess, by his appointment, cannot be overlooked. The benefits of the press, in proper hands, for the dissemination of knowledge and information, in so widely extended country, as ours, every one is ready to admit; nor is there any less doubt, in venal or corrupt hands, (as we have too often seen,) it is a greater curse; it issues its bulletins to the party, and requires passive obedience; the other press immediately chime in with the denouncement made by the authority of the state printer, and echo back the baneful dogmas thus printed by authority; the citizen who reads, reads by authority; every avenue is closed except as it comes from the fountain head. If it relates to the most sacred of our moral, civil or political rights as citizens, it is done by authority of the state printer, and that precludes all further inquiry; and we would appeal to past history to ascertain if there is an exception. Whatever he may promulgate, it is the received doctrine; and he who has the hardihood to oppose it, is denounced and anathematized. The other press acknowledge the right of the expounder. The honest and intelligent yeomanry, who have but little other means of informing themselves, except through the medium of the public prints, are persuaded to adopt the pernicious measure through the ballot box, without that reflection and consideration that they would otherwise give it; and when it is too late to remedy the evil, the curtain is removed, and we behold the humiliating spectacle, that the whole has been brought about by a band of affiliated, broken down politicians, whose political existence depends upon the adoption of the measure proposed. This, the minority of your committee believes, has been the case. Is it not then our duty to our constituents to prevent a recurrence, and eschew even the appearance of evil? I, therefore, as one of the committee, report a bill for the consideration of the senate.

All of which is respectfully submitted.

OLNEY HAWKINS.

[No. 21.]

Report of the Secretary of State, in compliance with a resolution of the senate, requesting the Secretary of State to furnish the senate with a list of all the persons holding office in this state, on the sixth day of January, 1840, &c.

SECRETARY OF STATE'S OFFICE, }
Detroit, January 22, 1840. }

To the Honorable the President of the Senate:

In compliance with a resolution of the senate, requesting the secretary of state "to furnish the senate with all convenient dispatch, a list of all the persons holding office in this state, on the sixth day of January, 1840, officers of the militia excepted, stating the office held, opposite their respective names, the date of their appointment, and the time when the same will expire of record in his office," I beg leave to report:

That the annexed list of civil officers, it is believed, contains the names of all persons commissioned by the executive, and holding civil appointments under the state government on the 6th inst., the time named in the resolution, with the dates of their appointment, and the term of office. It also, probably, contains the names of some as notaries public, and others as masters in chancery, who have never qualified or taken upon themselves the performance of any official duties.

The facts for which the resolution calls, should be found spread upon the records of this office, but no provision has been made by law for placing them there. The territorial law relative to notaries public, was the law of the state until the revised statutes took effect. By it, notaries were appointed under the state government by the governor, with the advice and consent of the senate, for an indefinite period, there being no time prescribed by law for the office to expire. The incumbent, before executing the duties of the office, was required to take an oath, and to give a bond to the governor of the state, for the proper performance of the duties of the office. No time was prescribed within which the oath should be taken, or the bond be given; nor did the law declare the commission inoperative until this part of the statute had been complied with, or the office null and void, if it was not complied within a given period. The statute in this respect, may, therefore, perhaps be considered as merely directory to the officer, and a compliance therewith not essential to the validity of his official acts. Some who have not given the required bond, it is believed, have performed, and still continue to perform, the duties of the office.

The law does not prescribe the place for the oath and bond to be filed. When they have been received by the executive, they have been placed by him on the files of this office. We have no other means of knowing who have or who have not qualified. In the list of notaries public, therefore, we have placed the names of all persons that have been appointed to that office from the commencement of the state government, down to the time the revised statutes took effect, except such as have resigned, or have been subsequently re-appointed, and except such also, as have removed from the state or county for which they were appointed, and a knowledge of such removal has come to this office. The word "qualified" is set opposite the names of those who appear, from the bonds on file, to have complied with the law.

By the revised statutes, the office is limited to two years, and the incumbent is required to give a bond, "with one or more sureties, satisfactory to the county clerk of the proper county; to the people of this state, in the penal sum of one thousand dollars," for the faithful performance of the duties of the office. The oath of office is to be filed with the county clerk, and the bond with the county treasurer, neither of whom is required to make any official communication thereof, to the secretary of state. Hence the law has neglected to provide for the keeping of any thing more than a record of the appointment in his office. How is the secretary of state to know whether an individual, a hundred miles or more distant has filed his bond or oath of office? Should he write to the county clerk or treasurer to ascertain the fact, neither these officers is bound to notice his communication, and the information when obtained, would not be of an official character. Since the revised statutes have been in operation, it has been the practice of the office to send notarial commissions to the county clerk, with a written request to him to notify the individuals appointed, and on their qualifying and receiving their commissions, to communicate the same to this office. This request has been complied with in most instances, while in others no attention has been paid to it. The word "qualified" is set opposite the names of those of whose qualification notice has been received in this way.

A question has arisen as to the effect the revised statutes have upon such commissions as were granted previously to the statutes taking effect. Are they vacated? Is the term of office limited to two years? And if so, when is the two years to commence running? From the date of the commissions, or from the time the new law took effect? All doubt upon this subject should be removed by legislative enactment.

With respect to masters in chancery, the names of all those who have been appointed under the state government, except

such as have resigned, or removed from the county, for reasons similar to those assigned in the case of notaries public, are to be found in the list of masters in chancery. By the old law, they were required to file their bond with the clerk of the county, and take their oath of office before him; and by the new law, the bond is to be filed with a register of the court of chancery.

To obviate the difficulty referred to, the oath of office, in all cases of executive or legislative appointments, should be filed with the secretary of state, and when a bond is required, the fact of its having been given should also be certified on the back of the oath by the officer with whom it is filed.

All which is respectfully submitted.

RANDOLPH MANNING,
Secretary of State.

State Officers.

| Names. | Office. | When appointed. | Term of office. |
|-----------------------|--|---|-----------------|
| William A. Fletcher, | Chief justice supreme court, | July 18, 1836, | seven years. |
| George Morell, | Associate justice supreme court, | do do | do |
| E. Ransom, | do | do do | do |
| Elon Farnsworth, | Chancellor, | do do | do |
| Randolph Manning, | Secretary of state, | February 6, 1838, | two years. |
| Charles W. Whipple, | Associate justice supreme court, | April 17, 1839, | seven years. |
| Peter Morey, | Attorney general, | do do | two years. |
| John D. Pierce, | Superintendent of public instruction, | do 18, do | do |
| Allen Bennett, | Inspectors of state prison, | do 19, do | do |
| Ira C. Backus, | Commissioners of appraisement, under | do 20, do | one year. |
| Roswell B. Rexford, | act of April 20th, 1839, | | three years. |
| Samuel Philips, | Commissioners of internal improvement, | do do | two years. |
| Daniel B. Wakefield, | | | one year. |
| Rix Robinson, | | | unlimited. |
| Levi S. Humphrey, | | | do |
| Wm. R. Thompson, | | | do |
| Douglass Houghton, | State geologist, | March 7, 1837, | do |
| Abraham Sager, | Zoologist, | | do |
| John Wright, | Botanist, | | do |
| Sylvester W. Higgins, | Topographer, | | do |
| Columbus C. Douglass, | Sub-assistant to geological depart't, | Commissions dated June 15th, 1838, to take effect from 1st March preceding. | do |
| George H. Bull, | Sub-assistant to botanical depart't, | | do |

| | | | |
|--|--|--|-------------|
| Thomas Youhill, | Chief assistant in zoological department, | Commission dated Dec. 23, 1838, to take effect from 17th August preceding, | do |
| [Sen. Doc.] Jonathan R. White, { Isaac I. Voorhis, } | Agents to take acknowledgment of deeds of land to state, under act March 28, 1838, | September 15, 1838, | do |
| William M. Wadsworth, | do | January 25, 1839, | do |
| Jonathan Kearsley, { John S. Axford and Daniel French, } | Commissioners under act incorporating the Detroit and Pontiac turnpike company, | April 25, 1839, | do |
| so Zina Pitcher, | | March 21, 1837, | |
| Gideon O. Whittemore, | | do do | |
| Samuel W. Denton, | | do do | |
| Henry L. Schoolcraft, | | do do | |
| John J. Adam, | | March 9, 1838, | four years. |
| Ross Wilkins, | Regents of university, | do do | do |
| Gurdon C. Leach, } vice | | | |
| Michael Hoffman, } | | do do | |
| Jonathan Kearsley, | | February 27, 1839, | do |
| Isaac E. Crary, | | do do | do |
| Henry Howard, vice | <i>Appointments made during the recess of the Legislature.</i> | | |
| Robert Abbott, resigned, | Auditor General, | May 1, 1839, | |

State Officers—Continued.

| Names. | Office. | When appointed. | Term of office. |
|---|---|--|-----------------|
| Peter Desnoyers, <i>vice</i> Henry Howard, resigned, Calvin Wood, <i>vice</i> Jacob Beeson, resigned, Jonas H. Titus, <i>vice</i> John Scott, resigned, Joseph S. Ward, <i>vice</i> Jas. M. Berger, resigned, Chas. C. Trowbridge, <i>vice</i> John Norvell, resigned, John Duffield, <i>vice</i> Lucius Lyon, resigned, Joseph W. Brown, <i>vice</i> Seba Murphy, resigned, | State Treasurer, Commissioner of appraisement, under act of April 20th. 1839, Commissioner for building state prison, Clerk of state prison, Regent of the University, do do do do | May 1, 1839. June 8, do do do do do July 1, do do do do do | |
| <i>Directors of the State Bank of Michigan, and ex-officio Fund Commissioners.</i> | | | |
| John Biddle, Charles Noble, Robert H. Stewart, G. W. Jermain, Zina Pitcher, | | April 19, 1839, | |

Notaries Public.

| Names. | County. | When appointed. | Term of office. | |
|----------------------|-------------|-----------------|-----------------|------------|
| John S. Bagg, | Wayne, | March 28, 1836, | | qualified, |
| William Draper, | Oakland, | do | | do |
| Elisha Beach, | do | do | | |
| Samuel Merlin, | Lapeer, | do | | do |
| James Andrews, | do | do | | |
| George B. Cooper, | Jackson, | do | | |
| Julius Movius, | Washtenaw, | do | | |
| William R. Thompson, | do | July 23, | | |
| James Kingsley, | do | do | | |
| Oliver Bristol, | do | do | | |
| Silas D. McKean, | Lapeer, | do | | do |
| George E. Hand, | Wayne, | do | | do |
| Daniel L. Case, | Allegan, | do | | |
| Pierce Patrick, | Oakland, | do | | do |
| Robert Page, | Genesee, | do | | |
| Daniel Munger, | St. Joseph, | do | | do |
| Carlos Colton, | Monroe, | do | | do |
| John M. Barbour, | Herrien, | do 26, | | |
| Robert E. Ward, | do | do | | |
| John A. Wells, | Wayne, | do | | do |
| George L. Dinsmore, | Jackson, | do | | |

Notaries Public—Continued.

| Names. | County. | When appointed | Term of office | |
|------------------------|-------------|-------------------|----------------|------------|
| T. J. Hulbert, | Wayne, | July 26, 1836, | | qualified. |
| James Churchman, | do | January 12, 1837, | | |
| James Abbott, | do | do | | |
| James L. Godfroy, | Monroe, | do | | do |
| Henry V. Mann, | do | do | | do |
| Charles D. Ashley, | Lenawee, | do | | do |
| H. N. Baldwin, | do | do | | |
| Ezra St. John, | do | do | | |
| George W. Jermain, | do | do | | |
| Tabor Beebe, | St. Clair, | do | | do |
| Samuel H. Sill, | do | do | | |
| Abiel Silver, | Cass, | do | | |
| Andrew L. Hays, | Calhoun, | do | | |
| Noah H. Hart, | Lapeer, | do | | do |
| Flavius J. B. Crane, | Livingston, | do | | do |
| Andrew G. Hammond, | Kalamazoo, | 14, do | | do |
| Joseph L. Kelsey, | St. Clair, | 24, do | | |
| Alexander H. Redfield, | Cass, | do | | |
| Charles Smith, | Kent, | do | | do |
| Charles H. McClure, | Lenawee, | do | | |
| Bethuel Noyes, | Wayne, | 31, do | | do |
| Volney Wightman, | do | do | | |
| Richard Butler, | Macomb, | do | | do |

Notaries Public—Continued.

| Names. | County. | When appointed | Term of office | |
|---------------------------|-------------|-----------------|----------------|------------|
| William Hart, | Cass, | March 18, 1837, | | |
| Eli L. Stillman, | Calhoun, | do | | qualified. |
| William Hathaway, | Kent, | do | | do |
| Charles A. Emerson, | Macomb, | do | | |
| Timothy Tredwell, | Washtenaw, | do | | |
| William Arrison, | Cass, | do | | |
| Merrick C. Hough, | Jackson, | do | | |
| Consider A. Stacy, | Lenawee, | 21, do | | |
| Wilber Fisher, | Livingston, | 22, do | | |
| Silas Barker, | Wayne, | do | | do |
| Gabriel Franchier, | Chippewa, | do | | do |
| Stephen Reeves, | Oakland, | do | | |
| Nathan M. Thomas, | Kalamazoo, | do | | |
| Charles Augustus Hopkins, | St. Joseph, | do | | |
| Asahel Hubbard, | Lapeer, | do | | do |
| Walter Clark, | Kalamazoo, | do | | do |
| G. Thomas Gridley, | Washtenaw, | Dec. 13, do | | do |
| Edward Higby, | do | do | | |
| Esbon G. Fuller, | Branch, | do | | do |
| Jeremiah C. Balch, | Calhoun, | do | | |
| Leander Chapman, | Jackson, | do | | |
| Ira C. Backus, | do | 25, do | | |
| George W. Williams, | Oakland, | do | | |

Notaries Public—Continued.

| <i>Names.</i> | <i>County</i> | <i>When appointed.</i> | <i>Term of office.</i> | |
|----------------------|---------------|------------------------|------------------------|------------|
| Rufus Crossman, | Washtenaw, | March 1, 1838, | | qualified. |
| Parley C. W. Gates, | Oakland, | do do | | do |
| Alfred C. Hatch, | Macomb, | do 9, | | do |
| Thomas R. Bourne, | do | do do | | do |
| Benjamin C. Hoyt, | Berrien, | do do | | do |
| George W. Jewett, | Livingston, | do do | | do |
| Alfred Treadway, | Oakland, | do do | | |
| John H. Button, | do | do do | | |
| William M. Pearl, | Calhoun, | do do | | |
| Eli Bradshaw, | Wayne, | do 15, | | |
| Zebulon Knight, | do | do do | | |
| Charles S. Bagg, | do | do do | | |
| Benjamin F. Hall, | do | do do | | |
| Joseph Miller, Jr., | Kalamazoo, | do do | | do |
| George L. Gale, | do | do do | | do |
| Lorce J. Rosecrant, | do | do do | | |
| Oliver Miller, | Lenawee, | do do | | |
| Timothy P. Burger, | Berrien, | do do | | |
| William C. Boardman, | St. Joseph, | do do | | |
| Stephen H. Preston, | Calhoun, | do do | | |
| A. D. Rathbone, | Kent, | do do | | |
| David Walthamford, | Calhoun, | do 30, | | |
| William M. Fenton, | Genesee, | do do | | |

Notaries Public—Continued.

| Names. | County. | When appointed. | Term of office. | |
|---------------------|-------------|-----------------|-----------------|------------|
| Joseph R. Bowman, | Oakland, | Jan 22, 1839, | two years, | qualified. |
| Thomas S. At Lee, | Kalamazoo, | do do | do | do |
| Calvin Townson, | Washtenaw, | do 28, | do | do |
| Ira Tillotson, | Calhoun, | Feb. 27, | do | do |
| James S. Sanford, | do, | do | do | do |
| Marvin Preston, | do | do | do | do |
| Arza Lewis, | do | do | do | do |
| Sylvester W. Mills, | do | do | do | do |
| Thomas B. Church, | do | do | do | do |
| Charles P. Ames, | St. Joseph, | do | do | do |
| Benjamin Osgood, | do | do | do | do |
| Aaron G. Wait, | do | do | do | do |
| Julius C. Abel, | Kent, | do | do | do |
| Wm. A. Richmond, | do | do | do | do |
| Wolcott G. Branch, | Hillsdale, | do | do | do |
| Wm. W. Murphy, | do | do | do | do |
| Jacob Whitney, | do | do | do | do |
| Salem T. King, | do | do | do | do |
| Elijah W. Morgan, | Washtenaw, | do | do | do |
| Norton R. Ramsdell, | do | do | do | do |
| James G. Ramsey, | do | do | do | do |
| Thomas H. Marsh, | do | do | do | do |
| Samuel P. Fidler, | do | do | do | do |

SENATE DOCUMENTS.

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| | | | |
|------------------------|-------------|-----------|----|
| Charles M. Eldredge, | Oakland, | do | do |
| Edward P. Harris, | do | do | do |
| Ebenezer W. Fairfield, | Lenawee, | do | do |
| P. A. A. Ensworth, | do | do | do |
| George Byrne, | Jackson, | do | do |
| Charles H. Dorn, | do | do | do |
| Thomas Love, | Barrett, | do | do |
| George W. Hoffman, | do | do | do |
| Horace Hinman, | Lapeer, | do | do |
| Henley C. Lybrook, | Cass, | do | do |
| Alpheus S. Williams, | Wayne, | do | do |
| Maac S. Rowland, | do | do | do |
| James A. Van Dyke, | do | do | do |
| Andrew Parsons, | Shiawassee, | do | do |
| Elijah G. Bingham, | Allegan, | do | do |
| Wm. P. Crandall, | Genesee, | do | do |
| Luther H. Trask, | Kalamazoo, | do | do |
| H. B. Stullman, | Branch, | do | do |
| Robert Warden, jr. | Livingston, | do | do |
| Thomas Whelpley, | Monroe, | do | do |
| Stephen Paush, | Washtenaw, | March 22, | do |
| Moses P. Crowell, | Jackson, | do | do |
| John S. Heath, | St. Clair, | do | do |
| Wm. B. Barron, | do | do | do |
| Curtis Bellows, | do | do | do |
| Joel Tucker, | do | do | do |

Notaries Public—Continued.

| Names. | County. | When appointed | Term of office. | |
|-----------------------|----------------|-----------------------|------------------------|------------|
| Salmon Sharp, | Hillsdale, | March 26, 1839, | two years. | qualified. |
| Wray T. Palmer, | do | do | do | do |
| Wells R. Martin, | Eaton, | do | do | do |
| Salmon King, | Kalamazoo, | do | do | do |
| Jabez Lamb, | Calhoun, | do | do | do |
| Prentiss S. Hewitt, | do | do | do | do |
| Columbia Lancaster, | St. Joseph, | do | do | do |
| Charles Wilcox, | Wayne, | do | do | do |
| David H. Rowland, | do | do | do | do |
| Adams Peabody, | Berrien, | do | do | do |
| John W. Brewster, | Oakland, | do | do | do |
| Winthrop Worthing, | do | 29, | do | do |
| Leonard Ellewerth, | Branch, | do | do | do |
| James Platt, | Washtenaw, | do | do | do |
| Ahira G. Eastman, | Lenawee, | do | do | do |
| Moses B. Cook, | do | do | do | do |
| Alexander B. Tiffany, | do | do | do | do |
| Milton N. Halsey, | do | do | do | do |
| Job Smith, | Wayne, | do | do | do |
| Fernando C. Beaman, | Lenawee, | do | do | do |
| Elijah Hawley, | Wayne, | do | do | do |
| Henry N. Walker, | do | do | do | do |
| Samuel Abbott. | Mackinac, | do | do | do |

| | | |
|------------------------|-------------|----|
| John R. Livingston, | Chippewa, | do |
| Thomas Simpson, | Saginaw, | do |
| John Farnsworth, | Livingston, | do |
| Wm. Morris, | St. Joseph, | do |
| Charles Smith, | Lenawee, | do |
| John Hart, | do | do |
| Lewis T. Miller, | Hillsdale, | do |
| Thomas S. Bunker, | Barry, | do |
| Nathaniel Case, | Wayne, | do |
| Charles W. Richardson, | Lapeer, | do |
| Henry Gilbert, | Kalamazoo, | do |
| James W. Cothren, | do | do |
| Anthony Ten Eyck, | Wayne, | do |
| Barrack Mead, | Cass, | do |
| Asher Benham, | St. Joseph, | do |
| Hovey K. Clark, | Allegan, | do |
| Alfred G. Millard, | Washtenaw, | do |
| Walter A. Buckbee, | do | do |
| James E. Johnson, | St. Joseph, | do |
| George A. C. Luce, | Oakland, | do |
| Charles Hewitt, | Lenawee, | do |
| Henry K. Singer, | Wayne, | do |
| Warner W. Constock, | Lenawee, | do |
| Robert S. Wilson, | Washtenaw, | do |
| Daniel B. Eldred, | Kalamazoo, | do |
| Thomas O. Hill, | Wayne, | do |

April 12,

17,

Notaries Public—Continued.

| Names. | County. | When appointed. | Term of office. | |
|--------------------|-----------|-----------------|-----------------|------------|
| James Gunning, | Wayne, | April 17, 1839, | two years, | qualified. |
| Charles W. Ford. | do | do 19, do | do | do |
| Walter Hubbill, | Clinton, | do do | do | do |
| Mason Harris, | Macomb, | do do | do | do |
| Edwin North, | Ottawa, | do do | do | do |
| Bethuel Chorch, | do | do do | do | do |
| Moses T. Champion, | Lennawec, | do 20, do | do | do |
| Azariah Prentiss, | Macomb, | do do | do | do |

Appointments made during recess of Legislature.

| | | | | |
|---|-------------|--------------|----|----|
| George R. Griswold, vice Benj. Kingsbury, resigned, | Wayne, | April 24, do | do | do |
| George H. Bull, | do | July 6, do | do | do |
| Horatio N. Monson, | St. Clair, | do 15, do | | |
| Chauncey Bush, | Shiawassee, | do 16, do | | |
| H. Norton Strong, vice John Norton, resigned, | Wayne, | do do | | |
| Warren Stone, vice Edward L. Jones, remo'd from state, | Monroe, | Nov. 21, do | | |
| Theodore P. Sheldon, | Kalamazoo, | Dec. 4, do | | |
| Calvin C. Jackson, vice Sheldon McKnight, resig'd, | Wayne, | do 11, do | | do |

Masters in Chancery.

| Names | County. | When appointed | Term of office. |
|------------------------|-------------|----------------|-----------------|
| Consider A. Tracy, | Lenawee, | Jan. 31, 1837, | three years, |
| James Brown, | Macomb, | Feb. 23, do | do |
| J. E. Field, | Washtenaw, | March 7, do | do |
| Robert Abbott, | Wayne, | do 18, do | do |
| Vincent L. Bradford, | Berrien, | do do | do |
| Zephaniah Platt, | Kalamazoo, | do do | do |
| Charles E. Stewart, | do | do do | do |
| Flavius J. Littlejohn, | Allegan, | June 22, do | do |
| Salem T. King, | Hillsdale, | Dec. 25, do | do |
| James S. Sandford, | Calhoun, | do 30, do | do |
| Prescott B. Thurston, | Macomb, | Feb. 2, 1838, | do |
| Robert P. Eldredge, | do | do do | do |
| DeWitt C. Walker, | do | March 1, do | do |
| Franklin Johnson, | Monroe, | do do | do |
| George Miles, | Washtenaw, | do do | do |
| William M. Wadsworth, | Monroe, | do 15, do | do |
| Charles I. Walker, | Kent, | do do | do |
| True P. Tucker, | St. Clair, | do 30, do | do |
| Carlos Colton, | Monroe, | do do | do |
| George Danforth, | Washtenaw, | Jan. 22, 1839, | do |
| Joseph Miller, | Kalamazoo, | do do | do |
| Benjamin Osgood, | St. Joseph, | Feb. 27, do | do |

qualified.

Masters in Chancery—Continued.

| Name. | County. | When appointed | Term of office. | |
|--------------------|-------------|----------------|-----------------|------------|
| James Sullivan, | Berrien, | Feb. 27, 1839, | three years, | qualified. |
| Samuel G. Watson, | Oakland, | do | do | |
| Milton N. Halsey, | Lenawee, | do | do | |
| Walter Clark, | Kalamazoo, | do | do | do |
| George E. Hand, | Wayne, | do | do | do |
| Anthony Ten Eyck, | do | do | do | do |
| Henry N. Walker, | do | do | do | do |
| Elijah W. Morgan, | Washtenaw, | do | do | |
| Lorenzo M. Mason, | St. Clair, | March 22, do | do | |
| Daniel B. Cady, | do | do | do | |
| John K. Smith, | do | do | do | |
| E. J. Roberts, | Wayne, | do | do | do |
| Wm. J. Moody, | Jackson, | do 26, | do | |
| Abira G. Eastman, | Lenawee, | do 29, | do | |
| James E. Johnson, | St. Joseph, | do | do | do |
| J. W. Burchard, | Ingham, | April 17, do | do | do |
| John Willard, | Cahoun, | do | do | |
| Walter A. Buckbee. | Washtenaw, | do 19, do | do | |
| Samuel Higbee, | Jackson, | do do | do | |
| S. Humes Porter, | Wayne, | do 20, do | do | |

Appointments during recess of legislature.

| | | | | | |
|-------------|---|-------------------------------------|------|--------|----|
| [Sen. Doc.] | Alfred Treadway, vice Wm. F. Mosely, remo'd from co., C. B. H. Fessenden, Calvin C. Jackson, vice John B. Bispham, remo'd from state, | } Oakland, } Macomb, } Wayne, | July | 15, do | do |
| | | | do | do | do |
| | | | Dec. | 12, do | do |

Prosecuting Attorneys.

| Names. | County. | When appointed. | Term of office. |
|--------------------------|---|-----------------|-----------------|
| Charles Jewitt, | Berrien, | Jan. 18, 1838, | two years, |
| Mitchell Hinsdell, | Kalamazoo, | do 29, do | do |
| George W. Scranton, | Kent, | March 9, do | do |
| Philip McOmber, | Genesee, | April 6, do | do |
| John S. Chipman, | Berrien, | do 12, 1838, | do |
| Franklin Johnson, | Monroe, | do do | do |
| George Miles, | Washtenaw, | do 17, do | do |
| Alexander R. Tiffany, | Lenawee, | do 20, do | do |
| Samuel G. Watson, | Oakland, | do do | do |
| | <i>Appointments during recess of legislature.</i> | | |
| J. W. Burchard, | Ingham, | April 26, do | |
| Alfred D. Rathbone, vice | Kent, | June 8, do | |
| Hiram Osgood, resigned, | | | |
| Columbia Lancaster, | St. Joseph, | Oct. 29, do | |

Inspectors.

| Names. | County. | When appointed. | Term of office. |
|---|------------|-----------------|-----------------|
| Benj. W. Latham, ins. of leather, | Monroe, | April 3, 1838, | two years. |
| Amos T. Hall, do do | Wayne, | do 6, do | do |
| Edgar Jenkins, of beef and pork, | St. Clair, | Feb. 27, 1839, | do |
| Edgar Jenkins, of fish, | do | Mar. 26, do | do |
| Ambrose R. Davenport, | Mackinac, | do 29, do | do |
| Henry E. Perry, of flour, | Wayne, | April 12, do | do |
| Chauncey P. Kellogg, of beef } and pork, | Berrien, | do 17, do | do |
| <i>Appointments during recess of legislature.</i> | | | |
| Stephen R. Wood, of fish, | Chippewa, | June 11, 1833, | |
| Wm. G. Mosely, of beef and } pork, vice Jerry Bennett, | Kent, | Oct. 29, do | |

qualified.

do

do

[No. 22.]

**Report of the Committee on Internal Improvement,
relative to collections, &c., on the public works.**

The committee on internal improvement, to whom was referred the senate resolution of the 9th instant, to wit:

“Resolved That the commissioners of internal improvement be requested to inform the senate, what kinds of money have been deposited in bank weekly, by the collectors on the railroads; and also what kinds of money have been received from the bank to pay contractors on the public works during the same time.”

Have received from the acting commissioner on the central railroad, a communication by which it would appear, that the collector of tolls, having received orders from the auditor general, to receive the notes of such banks only, as the bank of Michigan would receive in deposit, to the credit of the collector, and hold itself accountable to redeem in gold or silver on demand. The bank giving orders, varied from time to time, as to the kind, or character of money to be received. No memorandum of the kinds of money received and deposited, until the late suspension of specie payments, by said bank, when by order of the auditor general, the collector commenced keeping an account, although the bank is still liable to the conditions of the auditor general's orders, as above. From the examination of the books of the bank, it would appear that there was passed to the credit of the sinking fund, from May 2d, to 31st December, 1839, the sum of \$26,337, about two-thirds of which amount, was paid in drafts on New York, without premium; and the balance was paid out, from time to time, upon the checks of the treasurer, in coin or its equivalent. By an agreement on the part of the bank with the auditor general, and the acting commissioner on the central railroad, the bank paid a portion of the receipts on this fund in advance, taking state warrants therefor. But at the close of the fiscal year, upon being informed by the treasurer that the credit of the state required that the same should be paid in New York, to meet interest on the state stock, the bank gave drafts for the amount; so it would appear that the bank has twice paid for those receipts, and now holds the state warrants unpaid, which the bank had taken upon the pledge of the commissioner to pay them out of the receipts of the road.

The second inquiry in the resolution, appears to the committee, to be predicated upon a misconstruction of the law in the premises. The mover of the resolution evidently supposing that the receipts in bank, from the collector's office, instead of being passed to the credit of the sinking fund, as the law re-

quires, were paid out to the board of commissioners, and by them paid to contractors on the road. If it was the object of the mover of the resolution, to ascertain why post notes of the bank of Michigan, or other depreciated paper had been paid out by the commissioner to contractors on the public works, the answer is found in the report of the commissioners themselves; by which it would appear, that in the absence of any funds in the treasury, to enable the commissioner on the central railroad to prosecute the work, and pay off the contractors and hands, who had threatened to destroy the works, recourse was had to the bank of Michigan, and such funds were advanced by the bank as were satisfactory to the commissioner, and without which advancement, on the part of the bank, the non-completion of the road from Ypsilanti to Ann Arbor, and other more unfortunate results must have been the consequence.

All of which is respectfully submitted.

T. E. GIDLEY, *Chairman.*

[No. 23.]

Report of the Committee on Incorporations, on the resolution referring so much of the Governor's message as relates to the currency and the suspension of specie payments.

The committee on incorporations, to whom was referred so much of the governor's message as relates to the currency and the suspension of specie payments, have had the same under consideration, and beg leave to report:

The subject is of a grave and most important character. It is intimately connected with the best interests of the state, and in the opinion of the committee, ought not to be lightly nor superficially regarded. A due investigation of all matters connected therewith, will require the examination by a competent committee, of the past history and present condition of most of the banking institutions of the state as have maintained their credit, until the recent general suspension of specie payments, and have yielded, either through necessity or from motives of gain, to the influence of the example set before them by other institutions. This is the more important on account of the present condition of the treasury of the state, and the want of a currency of any description, with which to effect the settlement of balances between our citizens, and the conveyance to markets of the produce of the country.

Under these circumstances, your committee consider that

the importance of the matters involved, justify them in recommending to the senate the adoption of a resolution for the appointment of a joint committee, to whom the whole subject shall be referred, with instructions to investigate the condition of the two banks in Detroit, which have recently suspended specie payments, and with power to send for persons and papers.

All of which is respectfully submitted.

S. V. R. TROWBRIDGE,
Chairman.

[No. 24.]

Report of the Secretary of State, in relation to the amendment of the Constitution, transmitted by the Governor's special message of Jan. 27, 1840.

SECRETARY OF STATE'S OFFICE, }
Detroit, January 17, 1840. }

SIR—The proposed amendment to the state constitution, confining electors in voting to the township or ward in which they reside, submitted by the last legislature to the people to be approved or rejected by them at the general election in November last, has, as it appears from the official canvass of the votes given upon it, been ratified and adopted as a part of the constitution of the state. Enclosed I send you a copy of the state canvass of record in this office.

As it appears upon the face of the canvass, that no return of votes had been received from the counties of Chippewa, Kent and Livingston, at the time the canvass took place, it is proper, perhaps, for me to state the reason why they had not before that time been procured by means of a special messenger. No explanation, however, is deemed necessary as to the first named county. Its remoteness from the seat of government, and the difficulty of access to it so late in the season, precluded the idea of appointing a special messenger for that county. With regard to the other two counties, the returns from Washtenaw, Kalamazoo and Allegan not having been received, a special messenger was despatched to these three counties and the two above named, who after proceeding to Allegan, on account of an accident that happened to him, returned without going to either Kent or Livingston. He was, however, again despatched for these counties, and owing to the difficulty of traveling in that part of the state at that season of the year, did not return until after the canvass, which was delayed as long as the law would permit. Had the returns of these counties been canvassed, they would not have

changed the result, on the contrary, they would have increased the majority in favor of the amendment.

The state treasurer and secretary of state being prevented by illness from attending the canvass, the board was composed of the auditor general and attorney general.

Your most obedient servant,

RANDOLPH MANNING,

Secretary of State.

To His Excellency WILLIAM WOODBRIDGE.

State Canvass.

Statement of votes given in the state of Michigan at the general election holden on the fourth and fifth days of November, one thousand eight hundred and thirty-nine, for and against the amendment to the constitution of the state, proposed by the legislature of 1838, and agreed to and submitted to the people by the legislature of 1839, by a joint resolution, entitled "A joint resolution relative to an amendment to the constitution," approved April 18, 1839.

| Counties. | For the amendment. | Against the amendment. | | Whole number of votes. |
|------------------|--------------------|------------------------|----------------------|------------------------|
| Allegan, | 82 | 98 | | 180 |
| Branch, | 363 | 328 | | 691 |
| Berrien, | 167 | 200 | | 367 |
| Barry, | 56 | 23 | | 79 |
| Chippewa, | | | no returns received. | |
| Chouin, | 514 | 442 | 5 noes, 2 yeas. | 963 |
| Cass, | 229 | 331 | | 560 |
| Clinton, | 37 | 75 | | 112 |
| Eaton, | 139 | 108 | | 247 |
| Genesee, | 264 | 73 | | 337 |
| Hillsdale, | 426 | 235 | | 661 |
| Ionia, | 65 | 132 | | 197 |
| Ingham, | 102 | 89 | | 191 |
| Jackson, | 892 | 382 | | 1,274 |
| Kent, | | | no returns received. | |
| Kalamazoo, | 310 | 227 | | 537 |
| Livingston, | | | no returns received. | |
| Lapeer, | 291 | 205 | | 496 |
| Lenawee, | 1,585 | 139 | | 1,724 |
| Michilimackinac, | | 82 | | 82 |
| Macomb, | 266 | 453 | | 719 |
| Monroe, | 374 | 738 | | 1,112 |
| Oakland, | 1,465 | 1,627 | | 3,092 |
| Ottawa, | 16 | | | 16 |

State Canvass—Continued.

| Counties. | For the amendment. | Against the amendment. | | Whole number of votes. |
|-------------|--------------------|------------------------|---------------------|------------------------|
| Shiawassee, | 53 | 151 | | 204 |
| St. Joseph, | 255 | 509 | | 764 |
| St. Clair, | 214 | 251 | | 465 |
| Saginaw, | | | no votes given. | |
| Van Buren, | 107 | 138 | | 245 |
| Washtenaw, | 1,748 | 334 | blank 1, | 2,083 |
| Wayne, | 1,496 | 579 | not the amendment 1 | 2,076 |
| | 11,516 | 7,949 | scattering 9. | 19,474 |

The whole number of votes given at said election, for and against the amendment to the constitution, was nineteen thousand four hundred and seventy-four, of which votes, eleven thousand five hundred and sixteen were given for the said amendment, and seven thousand nine hundred and forty-nine were given against the said amendment; and there were nine scattering votes.

We certify the foregoing to be a correct statement of the votes given in the state of Michigan for and against the amendment to the constitution of said state, submitted to the people thereof at the said election, holden on the fourth and fifth days of November, A. D. 1839, (one thousand eight hundred and thirty-nine,) as appears from the canvass and examination of the statements of votes given in the several counties received by the secretary of state from the respective county clerks, duly certified under their hands and seals of office.

In witness whereof, we have hereunto set our names, at the office of the secretary of state, this nineteenth day of December, A. D. one thousand eight hundred and thirty-nine.

H. HOWARD, *Auditor Gen.*,
P. MOREY, *Att'y Gen., Mich.*,
Board of State Canvassers.

State of Michigan, ss.

We, the undersigned, having in pursuance of law, this nineteenth day of December, one thousand eight hundred and thirty-nine, at the office of the secretary of state, examined and canvassed the statements received by the said secretary, of the votes given in the several counties for and against the said amendment, at the general election, holden on the fourth and fifth days of November last, and made out a correct statement of the whole number of votes given at such election, for and against said amendment, and certified such statement to be correct, and subscribed our names thereto, and it appearing from such canvass and statement, that the greatest number of

votes was given in favor of said amendment, do hereby determine, that the said amendment has been duly approved and ratified according to the provisions of the first section of the thirteenth article of the constitution of said state,

H. HOWARD, *Auditor Gen.*,

P. MOREY, *Att'y Gen., Mich.*,

Board of State Canvassers.

Proposed amendment to the Constitution of the State of Michigan.

At the last session of the legislature, the following resolution was passed, proposing an amendment to the constitution of this state:

A resolution proposing certain amendments to the constitution of the state.

Resolved, by the Senate and House of Representatives of the State of Michigan, That the following amendment be proposed to the constitution of this state, and that the same be referred to the legislature, next to be chosen, and published in pursuance of the provisions of the first section of the thirteenth article: that so much of the first section of the second article of the constitution, as prescribes the place in which an elector may vote, and which is in these words, to wit: "district, county or township," be abolished, and that the following be substituted in the place thereof, to wit: "township or ward." Approved, April 6th, 1838.

The following is the first section of the second article of the constitution, referred to in the above resolution:

1. In all elections, every white male citizen above the age of twenty-one years, having resided in the state six months next preceding any election, shall be entitled to vote at such election; and every white male inhabitant of the age aforesaid, who may be a resident of the state at the time of the signing of this constitution, shall have the right of voting as aforesaid; but no such citizen or inhabitant shall be entitled to vote except in the district, county or township, in which he shall actually reside at the time of such election.

RANDOLPH MANNING,

Secretary of State.

SECRETARY OF STATE'S OFFICE, }
Detroit, July 20, 1838. }

State of Michigan, Wayne county, ss.

On this day, personally came before me, Cornelius Wendell, a printer in the office of the Democratic Free Press, a newspaper printed in the city of Detroit, in the county aforesaid,

[Sen. Doc.]

who being by me duly sworn, deposed and said, that the annexed notice was published twelve successive weeks; that the first publication was on the twenty-first day of July, A. D., 1838.

C. WENDELL.

Subscribed and sworn this twenty-fifth day of January, A. D. 1840.

CHARLES WILCOX,
Notary Public, Wayne county, Michigan.

—
(Copy.)

Amendment to the State Constitution.

Notice is hereby given, that the following amendment to the state constitution, viz: "That so much of the first section of the second article of the constitution, as prescribed the place in which an elector may vote, and which is in these words, to wit: 'district, county or township,' be abolished, and that the following be substituted in the place thereof, to wit: 'township or ward,'" has been submitted to the people of the state of Michigan for approval and ratification, according to the provisions of the first section of the thirteenth article of the constitution, at the general election to be holden on the fourth and fifth days of November next.

(Signed,)

RANDOLPH MANNING,
Secretary of State.

Detroit, July 25, 1839.

—
State of Michigan, Wayne county, ss.

On this day, personally came before me, Cornelius Wendell, a printer in the office of the Democratic Free Press, a newspaper printed in the city of Detroit, in the county aforesaid, who being by me duly sworn, deposed and said, that the annexed notice was published in the said newspaper, thirteen successive weeks, the first publication was on the seventh day of August, A. D., 1839.

C. WENDELL.

Subscribed and sworn, this twenty-fifth day of January, 1840, before me.

(Signed,)

CHARLES WILCOX,
Notary Public, Wayne county, Michigan.

(No. 25.)

Report of Committee on Internal Improvement, relative to suspension of works of internal improvement.

The committee on internal improvement, to whom was referred the joint resolution from the house of representatives, relative to suspension of works of internal improvement, and also the senate bill, repealing certain parts of the "Act for the regulation of a board of internal improvement," &c., have had the same under consideration, and being of opinion that the public interests demand that no new contracts should be entered into by the board of internal improvement, until the legislature shall have been enabled to provide for the liquidation of contracts already existing, and to perfect a system more economical in itself, and better suited to the wants and capabilities of the state. And believing that the joint resolution of the senate, now before the other branch of the legislature, would, if passed, more fully secure the object sought to be obtained, the committee have instructed their chairman to report the joint resolution, together with the senate bill, referred to said committee, back to the senate, with a view to their indefinite postponement.

All which is respectfully submitted.

T. E. GIDLEY, *Chairman.*

[No. 26.]

Report of the Committee on Incorporations on certain resolutions inquiring into the authority of the Shinplaster circulation, in the city of Detroit.

The committee on incorporations, to whom was referred the following resolution:

Resolved, That the committee on incorporations be instructed to inquire whether the charter of the city of Detroit or the provisions of any law of this state, authorizes the issuing and circulation of "shinplasters," by the authorities of said city, and if so, how large an amount they have a right to issue.

Also, whether the issuing of shinplasters by the corporation of the city of Detroit, is not a direct violation of the provisions of "An act to prevent the circulation of bills or tickets of a less denomination than one dollar," approved March 22, 1838.

Also, to inquire what amount of shinplasters the said corporation have now in circulation.

Also, to inquire as to the expediency of making further enactments for the more effectual suppression of shinplasters within the city of Detroit, report:

That they have had the subject under consideration, and that from the annexed statement of the clerk of the city of Detroit, may be ascertained the amount of "shinplasters" in circulation. Your committee would also state, that they find no law authorizing the issue of "shinplasters;" but that in section three of an act entitled "An act to amend an act relative to the city of Detroit," approved April, 1827, power is granted to the common council of the city of Detroit to issue due bills in payment of debts redeemable at pleasure, which due bills are, by the same act, made receivable for moneys due to the corporation of said city. Your committee would further state that, in their opinion the law above referred to was virtually repealed by an act entitled "An act to prevent the circulation of bills or tickets of a less denomination than one dollar," approved March 22, 1838.

Your committee are also of the opinion that there is no law now in existence authorizing the issue of or circulation of the due bills, above referred to, and that the common council of the city excluded in the first instance any authority at that time possessed by said council by issuing nearly four times the amount ever authorized by law; and that said common council is bound in obedience to existing laws to withdraw such due bills from circulation at as early a date as possible.

S. V. R. TROWBRIDGE, *Chairman.*

On the 27th of May, 1837, the recorder, Ross Wilkins, introduced an ordinance, which was passed, providing for the issue of due bills to the amount of \$5,000, prescribing the form, &c.

July 8th. On motion of the mayor, Henry Howard, it was "*Resolved*, That the committee on ways and means be requested to inquire into the expediency of issuing a further sum of \$5,000 in due bills, payable at one of the banks of this city."

July 11th. The committee reported in favor of the further issue of notes or due bills to the amount of \$5,000, conditioned, that the corporation can effect a loan with one of the city banks *upon the same terms as the loan was made on which the former issue was based.*

(There is nothing of record or on file showing that any arrangements were made for the redemption of the bills issued prior, or subsequently to this time.)

August 8th. The committee on ways and means reported by resolution, authorizing an issue of due bills to the amount of \$2,000, which resolution was adopted.

August 29th. An issue of \$5,000 was authorized by resolution.

October 21st. An issue of \$3,000 was in like manner authorized.

February 17th, 1838. A resolution was adopted authorizing the mayor to procure engraved bills to the amount of \$10,000, a part (\$1,500) to be applied in payment of the expense of repairing the "university building," and the balance for the redemption of bills in circulation.

There seems to be some obscurity in the record of the proceedings of the common council relative to their "shinplaster operations," and it is difficult to ascertain the precise amount intended to have been issued. It however appears by the treasurer's receipts on file, as well as by the city books, that from the date of the first issue to the 31st of March, 1838, there were placed in the hands of that officer, due bills or "shinplasters," to the amount of

\$22,605 87

During that time, bills were returned to the treasurer, either for exchange or in payment of city dues, to the amount of

6,990 83

Leaving a balance in circulation on the 31st of March, 1838, of

\$15,615 04

During the year following March 31, 1838, no special issues of this paper were authorized by the common council; but due bills were from time to time placed in the hands of the treasurer, to be exchanged for old and mutilated bills, when desired by the holders, and by a process similar to that noted in the transactions of the former year; the circulation of these bills was reduced on the 30th of March, 1839, to

12,323 46

From information filed in this office, there have been placed in the hands of the treasurer since the 30th of March last, due bills to the amount of

506 85

Which added to the amount in circulation at that time, shows

\$12,829 70

Since that time there has been received from the treasurer and destroyed, the amount of

2,172 90

Leaving, according to data in this office, a balance in circulation at the present time, of

\$10,656 80

GEO. BYRD, Clerk.

Clerk's Office, Detroit, Jan. 25, 1840.

[No. 27.]

Report of the Investigating Committee, appointed to audit and settle the accounts of the State Penitentiary.

To the Auditor General of the State of Michigan:

The committee to audit and settle the accounts of the state penitentiary, respectfully beg leave to report:

That in accordance with the duty assigned them, they met at Jackson on the first Tuesday in December last, and forthwith proceeded in the investigation.

The evidences of expenditure presented to the committee by the commissioners, were of three different characters.

One was the receipts taken; another the books; and the third was the check rolls, on which the time originally was kept, both of team work, and labor.

After a careful examination of them all, it was discovered that they disagreed with each other to so large an amount, that the committee deemed it unsafe to rely upon either the books or receipts, without consulting the original check rolls.

The full examination of the original check rolls has been the cause of much delay.

Early in the course of the investigation, the committee discovered that many of the vouchers were drawn for too large amounts, and that there were others presented to be audited, for which the state had received no equivalent of any kind whatever.

This discovery, has of necessity, compelled the committee to strictly examine each and every account and voucher presented, to reduce the amount of some, and to reject others entirely.

The committee would observe that there were given to various individuals, by the acting commissioner an amount of negotiable promissory notes, and that no account was kept of the amount so given. In consequence of the uncertainty of the amount of the notes in question, the committee were compelled to exclude them in the amount as expended, and in the mean time during the investigation, to ascertain so far as practicable, the amount of said notes, so as in the end to deduct the amount so ascertained from the moneys expended by the acting commissioner.

The committee regret that circumstances compelled them to this course, since it necessarily leaves the amount of money actually paid out, uncertain.

There has been presented to them, notes to the amount of nineteen hundred and fifty dollars and forty-two cents; the

amount of each, and the holder's name may be found in schedule B, hereunto annexed.

The committee have heard of several hundred dollars in amount, of said notes, that are not here enumerated, in the hands of distant holders, that have not yet been presented.

There was, also, presented to the committee, eight hundred and ninety two dollars of uncurrent money, which, upon the oath of the commissioner, appears to have been drawn from the state bank, in part payment of the twenty thousand dollars appropriated by the legislature, and which the officers of said bank promised to take back, but have since refused so to do. The money is herewith placed in the auditor general's office.

The particular kind of money, and the amounts, will more fully appear in schedule C, hereunto annexed.

By reference to schedule D, herewith transmitted, it will appear that a contract was entered into, under seal, between the acting commissioner and Zephaniah Platt, Esq., on the 25th day of December, 1838, by the terms of which Mr. Platt bound himself to furnish one hundred and fifty thousand feet of lumber for the use of the penitentiary, at the price of ten dollars per thousand feet.

Attached to the contract above mentioned, or the counterpart in the hands of Mr. Platt, is a certificate signed by the acting commissioner, purporting to set forth an original agreement or understanding between the parties, bearing date 21st day of October, 1839. It appears that one thousand five hundred dollars was paid on the foregoing contract, by the acting commissioner to Mr. Platt, and a receipt taken for the same.

The receipt was presented to the committee to be audited, but was not passed to the credit of the commissioner, as the committee discovered that the state had received no equivalent therefor. All the information on the above subject, the testimony taken and the receipt, is hereunto annexed.

Throughout all the transactions in the expenditure of money in building the penitentiary, there does not appear to have been that strict regard to economy and the interest of the state that ought to be had, and is expected in an expenditure of that magnitude.

There was presented to the committee to be audited, vouchers and accounts to the amount of upwards of fifty-three thousand dollars, a sum much larger than the committee found to have been expended.

The separating those accounts that were allowed, from those not allowed, has been no common task; as there were in the whole, eight hundred vouchers to be thus examined, and an issue joined on most of them.

The accounts would have been audited at an earlier period, had the committee had access to the books.

They were called for at Jackson, and were said not to be there, but in the hands of the auditor general, who was represented to have said to the acting commissioner that he would audit the accounts. The committee would observe, that due notice had been previously given the commissioner that the committee would be there at that time to audit the accounts, and on a day or two previous the books were carried to Detroit, to the auditor's, out of the reach of the committee.

The above has caused, in the auditing and settling the accounts, the almost unwarranted delay.

The result of this protracted and perplexing investigation, will be found in the annexed schedules.

In the first and third column of schedule A, will be found an exhibit of each and every, and all the expenditures, during the administration of Benjamin Porter, or from the first commencement of the building the penitentiary, up to the 24th day of June last past, as allowed by the committee.

The amount of thirty-five thousand five hundred and three dollars and forty cents, (\$35,503 40) in the first column, is intended to exhibit the amount paid by the acting commissioner including notes given by him.

The third column exhibits the amount due various individuals, for which no notes have been given, still unpaid, which amount is two thousand and eighty-one dollars and thirty-eight cents, (\$2,081 38.)

The two sums added together, makes the sum of thirty-seven thousand five hundred and eighty-four dollars and seventy-eight cents, (\$37,584 78,) which is all the expenditure, both paid and unpaid, including the salary and private accounts of the commissioner, from the commencement the building the prison up to the 24th of June last past, 1839.

The second column of schedule A, represents the amount of state's property made use of in the payment of the debts created in the building the prison, as far as ascertained. Which amount is not considered to increase the expenditure in the aggregate, for the reason that it was originally receipted.

If the salary of the commissioner has been paid by the auditor general, the committee would deduct it from the amount of expenditure.

From the foregoing, it will be observed that, including the whole salary of the commissioner, and the notes before mentioned, the total amount of expenditures, is \$37,584 78

Deduct amount of notes given by the commissioner,

\$1,950 42

Carried forward,

\$

\$

SENATE DOCUMENTS.

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| | | | |
|---------------------------|----|----------|----------|
| Brought forward, | \$ | | \$ |
| Also, outstanding claims, | | 2,081 38 | |
| | | <hr/> | 4,031 80 |

| | | |
|---|--|-------------|
| The amount of money paid out by acting commissioner, provided no more notes appear, | | \$33,552 98 |
| | | <hr/> |

| | |
|--|-------------|
| Then from the total amount of expenditure, | \$37,584 78 |
| Take the appropriation interest and premium, | |
| ... which is, | 20,853 34 |
| | <hr/> |

| | |
|---|-------------|
| Balance of expenditure more than the appropriation, | \$16,731 44 |
| | <hr/> |

From the result thus ascertained, it will be perceived that it will be necessary to appropriate the sum of sixteen thousand seven hundred and thirty-one dollars and forty-four cents, to discharge or pay the indebtedness of the state, for moneys expended under the administration of Benjamin Porter, acting commissioner, up to the twenty-fourth day of June last past, 1839.

| | |
|--|-------------|
| The committee would also add to the aforesaid sum of | \$16,731 44 |
| the amount of uncurrent money, | 892 00 |
| | <hr/> |

| | |
|--|-------------|
| sum to be appropriated, including the uncurrent money, | \$17,623 44 |
| | <hr/> |

The committee regret that they cannot recommend that the foregoing amount be placed to the credit of the commissioner. Not knowing the amount of the notes before mentioned that are afloat, that have not been presented to the committee, they know of no other safe method to pursue, to guard the rights, and secure the interest of the state, than to have some action of the legislature on the subject, before any funds be placed to the credit of the commissioner.

The committee herewith enclose all the papers and vouchers relating to the above subject.

All of which is respectfully transmitted.

ARTEMAS ALLEN,
SANDS M'CAMLAY,
Investigating Committee.

Jackson, January 5, 1840.

(A.)

Expenditures by B. Porter, Acting Commissioner for and on account of State Penitentiary.

| | Cash expended. | State prop-erty. | Still due. |
|--------------------------|----------------|------------------|------------|
| To B. W. Rockwell & Co., | \$135 18 | | |
| J. C. Seymour, | 12 35 | | |
| S. Blackwell & Co., | 5 38 | | |
| A. Bigelow, | | | \$131 10 |
| S. G. Richards, | 60 29 | \$00 50 | |
| Ganson & Monroe, | 701 58 | | |
| Bennett & Brother, | 21 00 | | |
| Ichabod Cole, | 304 88 | 1 00 | |
| Sam'l Cowles, | 650 01 | 75 00 | |
| Jas. C. Brodt, | 667 00 | 10 99 | |
| Jno. L. Spencer, | 46 00 | | |
| Sam'l G. Porter, | 207 63 | 3 25 | |
| Richard Pickles, | 445 48 | 4 51 | |
| Patrick Kirk, | 90 17 | 1 32 | |
| O. B. Fox, | 117 00 | 2 63 | |
| Thomas Kingston, | 65 93 | | |
| Jno. Dowdle, | 79 01 | 1 00 | |
| Tho's Collin, | 366 13 | 7 44 | |
| Jno. McCabe, | 194 03 | 44 | |
| Pierre Teller, | 205 66 | | 59 49 |
| Thomas Richmond, | 89 79 | | |
| John Gilmore, | 146 50 | | |
| Samuel Stafford, | 4 87 | | |
| Lewis Clark, | 1 78 | | |
| James Higgins, | 61 36 | | |
| E. Crawford, | 29 99 | | |
| Wm. Warren, | 4 00 | | |
| Jno. Snackenburgh, | 73 44 | | |
| F. J. Dyer, | 94 22 | | |
| Isaac Phillips, | 7 50 | | |
| Jno. Ward, | 91 81 | | |
| B. Smith, | 83 81 | | |
| Dennis McMahan, | 45 00 | | |
| Jno. Pinkham, | 50 75 | | |
| Jacob Horror, | 75 32 | | |
| Z. A. Fuller, | 39 07 | | |
| Thomas Rogers, | 11 35 | | |
| Robert McGillavary, | 113 00 | | |
| Thos. Burnes, | 16 13 | | |
| Carried forward, | | | |

| | Cash expended. | State prop-erty. | Still due. |
|---------------------|----------------|------------------|------------|
| Brought forward, | \$ | \$ | \$ |
| To Thos. Burnes, | 46 75 | | |
| William Percell, | 146 12 | 3 66 | |
| Wm. O. Percell, | 50 69 | | |
| Bartley Burns, | 17 50 | 88 | |
| James Powers, | 76 93 | 57 | |
| George Hobeng, | 17 06 | | |
| Sylvester Hodgkiss, | 3 75 | | |
| N. Gregory, | 9 00 | | |
| Pat McGarrin, | 49 89 | | |
| Daniel Long, | 49 99 | | |
| Chas. Murphy, | 5 00 | | |
| Rob't Pettis, | 6 88 | | |
| Wm. Thompson, | 54 68 | | |
| Rob't Moffat, | 4 38 | | |
| John Flannagan, | 56 56 | | |
| John Loughland, | 22 19 | | |
| Tim'y Killehu, | 48 12 | | |
| Michael Ready, | 61 84 | | |
| Rob't Haney, | 122 50 | | |
| Pat. O. Brian, | 68 12 | | |
| Pat. Cuff, | 44 44 | | |
| Daniel Fox, | 69 33 | 2 96 | |
| Thomas Berry, | 21 00 | | |
| Edward Miller, | 68 85 | 3 85 | |
| Peter Garry, | 61 86 | | |
| Wm. Dailey, | 69 00 | | |
| Anthony Meloche, | 105 94 | | |
| Richard Kiley, | 98 75 | | |
| Peter Higgins, | 61 25 | | |
| J. C. Swart, | 68 63 | | |
| John Collins, | 1 00 | | |
| Arza P. Peters, | 82 38 | | |
| Alva Smith, | 2 45 | | |
| Garry Green, | 22 75 | | |
| S. W. Stowell, | 352 62 | 67 28 | |
| Samuel Knap, | 28 00 | | |
| O. Hathaway, | 21 75 | | |
| James Merrills, | 72 21 | | |
| A. F. Bolton, | 566 82 | 21 50 | |
| James Ward, | 249 46 | 2 13 | |
| Abner Halford, | 107 50 | | |
| Carried forward, | \$ | \$ | \$ |

| | Cash expended. | State property. | Still due. |
|-------------------------------------|----------------|-----------------|------------|
| Brought forward, | \$ | \$ | \$ |
| To Jno. O'Niel and Jno. O'Niel, 2d, | 170 20 | 25 | |
| Hugh Carrington, | 88 69 | 6 25 | |
| Michael Kennedy, | 78 80 | 25 | |
| Jas. Fifield, | 751 32 | 18 50 | 389 92 |
| John Sullivan, | 51 88 | | |
| Thomas Carrigan, | 86 68 | | |
| Thomas Donald, | 119 37 | | |
| Michael Morrison, | 60 21 | | |
| Rich'd McQuillan, | 105 62 | | |
| Andrew Dawson, | 144 00 | 1 33 | |
| Robert Blair, | 127 98 | 30 28 | |
| John Cockburn, | 256 29 | 88 | |
| Asa Sharp, | 6 00 | 22 00 | |
| B. F. Sharp, | 147 24 | 17 50 | |
| Sharp & Berry, | 115 54 | 9 78 | |
| Z. Platt, | 459 99 | 88 | |
| Wm. Hathaway, | 118 62 | | |
| Joseph F. Florentine, | 83 13 | | |
| Thos. Flannagan, | 128 44 | | |
| Wesley Platt, | 151 78 | 1 32 | |
| E. Carpenter, | 52 50 | 6 34 | |
| J. R. Cowden, | 85 66 | 30 05 | |
| Wm. J. Turnbull, | 57 26 | | |
| P. Morey, | 27 00 | | |
| Jno. Waterworth, | 130 36 | | |
| Jno. Weaver, | 19 50 | | |
| Danl. Kelliher, | 112 43 | 2 25 | |
| A. Foster, | 140 14 | 50 | |
| Twist Thomas, | 54 81 | | |
| Garry Catton, | 95 00 | | |
| Edwin Galvin, | 166 88 | | |
| Wm. Condin, | 231 21 | 11 29 | |
| Geo. Geisman, | 149 56 | | |
| Wm. M. Worden, | 60 38 | | |
| T. O'Brian, | 145 83 | 42 | |
| Wm. Mabee, | 54 06 | | |
| P. Dickinson, | 203 00 | | |
| John Rhinefrank, | 218 67 | 8 63 | |
| John Starks, | 91 00 | 76 | |
| John Carle, | 95 24 | 38 | |
| Carried forward, | | | |
| | \$ | \$ | \$ |

| | Cash expended. | State property. | Still due. |
|---------------------------|----------------|-----------------|------------|
| To Brought foward, | \$ | \$ | \$ |
| Luke Mallory, | 61 00 | | |
| Horace Hurlbut, | 28 43 | 88 | |
| Alex. Williams, | 134 35 | | |
| Jno. Cockburn, jr., | 114 50 | | |
| Edward Morrill, | 264 10 | | |
| Michael Killiher, | 49 38 | | |
| Wm. Cockburn, | 103 69 | | |
| Alex. McKenzie, | 191 50 | | |
| Wm. Griffith, | 187 50 | | |
| Nicholas McQuillan, | 71 19 | 88 | |
| Ganson & Stowell, | 275 00 | 292 92 | |
| Wm. Phelps, | 79 50 | | |
| Henry Berry, | 92 00 | | |
| Matthew Fallaher, | 140 02 | 2 33 | |
| C. R. Ganson, | 267 14 | 1 80 | 93 06 |
| John Clark, | 114 79 | 23 22 | |
| Jno. Gillespie, | 282 60 | 3 72 | |
| Thos. Caley, | 314 75 | 75 | |
| James Blaney, | 301 07 | 6 13 | |
| Jno. Smitherman, | 323 25 | 75 | |
| Wilson Ferris, | | | 416 25 |
| Joseph Burt, | 1,273 35 | 11 97 | |
| David Porter, | 5,567 66 | 569 89 | 325 37 |
| Porter & Bolton, trs. } | | | |
| to David Porter, } | | | 38 50 |
| Theron Wilcox, | 36 00 | 2 | |
| James Ganson, | 29 25 | | |
| Dewey & Green, | 45 87 | | |
| David F. Dwight, | 675 00 | 2 50 | |
| C. Lumm, for b'k Mich- | | | |
| igan, | 142 39 | | |
| Sol. Davis, | 51 00 | | |
| Rob't Emmonds, | 3 20 | | |
| John N. Dwight, | 74 71 | 10 00 | |
| Chas. Nichols, | 14 55 | | |
| G. W. Gorham, | 15 75 | | |
| Rob't Emmonds, | 4 40 | | |
| H. B. Lathrop, | 100 39 | 13 79 | |
| Levi Morley, | 163 49 | 17 78 | |
| A. J. Fox, | 1 25 | | |
| Gray, Gallagher & Co., | 9 00 | | |
| Ypsilanti warehouse co. | 151 56 | | 21 44 |
| Carried forward, | \$ | \$ | \$ |

| | Cash expended. | State property. | Still due. |
|-----------------------|----------------|-----------------|------------|
| Brought forward, | \$ | \$ | \$ |
| To C. M. Beals, | 45 75 | | |
| R. B. Bement, | 1 75 | | |
| Dyer & Derby, | 3 63 | | |
| Townsend E. Gidley, | 460 17 | | |
| A. B. Gibson, | 78 25 | | |
| O. Newberry, | 268 50 | | 95 50 |
| C. Yale, | 8 58 | | |
| J. Eldred & Son, | 86 69 | | |
| M.B. & T.W. Medbery, | 15 41 | | |
| Chas. Evans, | 5 04 | | |
| Z. Pondlow, | 8 18 | | |
| Newbould & Strong, | 41 09 | | 350 24 |
| Thos. Shannessey, | 47 00 | | |
| Wm. J. Moody, | 21 94 | | |
| Patrick M'Fallen, | 77 00 | 4 70 | |
| S. H. Palmer, | 71 41 | | |
| Lysander Henry, | 30 37 | | |
| Z. Barnes, | 7 18 | | |
| Jacob C. Crane, | 138 32 | | |
| A. Shaver, | 73 21 | | |
| David Van Horn, | 7 05 | | |
| Wm. R. Mills, | 34 | | |
| Jas. S. Porter, | 6 56 | | |
| Robert Bradford, | 5 67 | | |
| A. Prichard, | 10 12 | | |
| Phelps, Dodge & Co., | 20 01 | | |
| John I. Haggerman, | 120 00 | | |
| Booman, Johnson, } | 994 75 | | |
| Agres & Co., } | | | |
| J. S. & S. A. Bagg, | 14 25 | | 67 25 |
| N. Sullivan, | 7 00 | | |
| Z. J. McMaster & Co., | 75 00 | | |
| St. John & Witherell, | 33 31 | | |
| Whitmon & Co., | 31 87 | | |
| Dennis, Thomas & } | 121 00 | | 63 00 |
| Wood, } | | | |
| Powlet, Little & Co., | 37 45 | | |
| Spencer Harrington, | 22 88 | | |
| Gillet & Desnoyers, | 45 75 | | |
| Cobb & Smith, | 19 80 | | |
| Chase & Ballard, | 98 69 | | |
| Carried forward, | \$ | \$ | \$ |

| | Cash expended. | State property. | Still due. |
|--------------------|----------------|-----------------|------------|
| Brought forward, | \$ | \$ | \$ |
| To Elon Catlin, | 53 98 | | |
| J. H. Rice, | 4 50 | | |
| E. Calkhart, | 1 75 | | |
| J. A. Reed, | 6 00 | | |
| S. Stevens, | 67 00 | 2 00 | |
| Platt & Porter, | 350 00 | 50 | |
| Jackson Reed, | 5 38 | | |
| T. H. Chapin, | 12 00 | | |
| Nathan McLouth, | 24 90 | | |
| Robert C. Platt, | 6 88 | | |
| Thos. Smith, | 14 25 | | |
| Robert Corning, | 3 04 | | |
| Lyman Lewis, | 9 75 | | |
| Martin Quellan, | 10 50 | | |
| Barney Fair, | 262 50 | | |
| John T. Colby, | 2 00 | | |
| N. Skinner, | 10 50 | | |
| Chester Bennett, | 170 00 | | |
| Peter Brown, | 129 38 | 1 00 | |
| Elias Bidwell, | 19 00 | 6 00 | |
| Henry Fisk, | 110 00 | | |
| J. C. Bailey, | 8 75 | | |
| Mundy & Goodspeed, | 28 43 | | |
| A. C. Monroe, | | | |
| Hiram Godfrey, | 55 00 | | |
| Gordin Case, | 51 00 | 4 00 | |
| Jas. Ware, | | | |
| Hoit Henry, | 2 81 | | |
| Kirtland Shaddock, | 32 82 | | |
| L. S. House, | 25 95 | 12 75 | |
| Frederick Kessler, | 60 19 | | |
| W. C. Granger, | 22 50 | | |
| David Granger, | 18 13 | | |
| Daniel Hodgkiss, | 60 00 | | |
| Isaac Hollenbeck, | 12 38 | | |
| G. W. Peters, | 12 38 | | |
| Peter Higgins, 2d, | 2 19 | | |
| Jno. Dawson, | 78 75 | | |
| Eph'm Whitney, | 12 50 | | |
| David Wait, | 45 00 | | |
| John Spicer, | 25 31 | | |
| Carried forward, | \$ | \$ | \$ |

| | Cash expended. | State property. | Still due. |
|--------------------|----------------|-----------------|------------|
| Brought forward, | \$ | \$ | \$ |
| To Clark Cole, | 37 88 | | |
| Pat McKinney, | 18 43 | | |
| E. Hatch, | 48 94 | | |
| Barney McCormic, | 50 63 | | |
| Jno. Farroll, | 27 50 | | |
| Isaac Bonner, | 17 94 | | |
| Michael Green, | 35 94 | | |
| Adam Kirtz, | 87 74 | | |
| Rob't Bottins, | 24 67 | | |
| Sam'l E. Peters, | 16 12 | | |
| Orin Cotton, | 45 75 | | |
| Jas. L. Peters, | 7 50 | | |
| Jno. E. Robertson, | 105 75 | | |
| Willis Gregory, | | | |
| Sam'l Gregory, | | | |
| Harlan Gregory, | 37 75 | | |
| Lem'l Gregory, | | | |
| Jno. Gallavan, | 22 50 | | |
| Thos. Brownhills, | 7 00 | | |
| Walter Taber, | 10 00 | | |
| Hurburt Brownhill, | 22 50 | | |
| Dan'l Carpenter, | 6 56 | | |
| Rob't McKenzie, | 17 50 | | |
| Thos. Hays, | 8 75 | | |
| Pliney Rolph, | 2 50 | | |
| Michael Riley, | 31 57 | | |
| Michael Kerley, | 18 46 | | |
| Adam J. Anderson, | 24 06 | | |
| Chas P. Russell, | 80 75 | 4 21 | |
| Wm. Kenedy, | 25 63 | | |
| Lawrence Costigen, | 42 81 | | |
| Silas Everest, | 6 00 | | |
| Jno. Young, | 27 81 | | |
| Graham Wildry, | 60 00 | | |
| David Hutchins, | 24 38 | | |
| Wm. M. Olcott, | 136 66 | | |
| W. McDonald, | | | |
| Ezra Houghton, | 8 12 | | |
| Joseph Wing, | 8 00 | | |
| Ezra Hathaway, | 1 00 | | |
| Russell Blackman, | | 55 84 | |
| Lemuel P. Archer, | 1 25 | | |
| Carried forward, | \$ | \$ | \$ |

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| | Cash expended. | State property. | Still due. |
|----------------------|----------------|-----------------|------------|
| Brought forward, | \$ | \$ | \$ |
| To Adam S. Archer, | 2 50 | | |
| Thos. Southard, | 4 13 | | |
| • Sherman Shattuck, | 12 50 | | |
| James Churchill, | 10 94 | | |
| Rob't Brown, | 10 94 | | |
| David Fisher, | 10 63 | | |
| Purcell Crouch, | 2 50 | | |
| James Elliot, | 12 50 | | |
| Dorus Granger, | 18 13 | | |
| Daniel Fisher, | 11 25 | | |
| Freeman Minor, | 25 94 | | |
| Wm. Gurthrie, | 36 25 | | |
| Patrick Dwyer, | 15 00 | | |
| Geo. Logan, | 7 50 | | |
| Amos Mollison, | 20 00 | | |
| Peter Petit, | 9 38 | | |
| John H. Peak, | 31 57 | | |
| Owen Riley, | 1 25 | | |
| Geo. W. Porter, | 78 75 | | |
| Henry Burns, | 16 88 | | |
| J. Crompton, | 50 | | |
| Bartley Burt, | 8 13 | | |
| Jesse Lake, | 75 | | |
| G. B. Cooper, | | | 18 00 |
| Baldwin and Kimball, | | | 10 25 |
| Ira Logan, | 50 94 | | |
| Wm. Havins, | 1 25 | | |
| James Ganson, | 28 60 | | |
| David Riley, | 114 00 | | |
| C. Wall & W. Platt, | 75 00 | | |
| O. C. McLouth, | 225 26 | | |
| Nathaniel Morrill, | 86 62 | | |
| Jacob Rhines, | 291 68 | | |
| Holmes & Hollenbeck, | 300 12 | | |
| Holmes & Merriell, | 20 00 | | |
| Palmer Jenkins, | 14 50 | | |
| Abner Rhines, | 46 00 | | |
| Richard Lincoln, | 15 00 | | |
| Charles Hawley, | 21 00 | | |
| Henry Hawley, | 12 00 | | |
| Apollos Lincoln, | 66 00 | | |
| Jonas Henry, | 6 00 | | |
| Carried forward, | \$ | \$ | \$ |
| [Sen. Doc.] | | | |

| | Cash expended. | State property. | Still due. |
|-------------------------|--------------------|-------------------|-------------------|
| Brought forward, | \$ | \$ | \$ |
| To Baby Norton, | 12 00 | | |
| J. T. Durand, | 9 50 | | |
| Amos Bigelow, | 50 92 | | |
| Jonas Henry, | 21 94 | | |
| P. Easterly, | 32 76 | | |
| Joel Wheeler, | 25 00 | | |
| Thos. Cuff, | 194 35 | | |
| Ypsilanti warehouse co. | 7 19 | | |
| Benj. Porter, | 1,451 49 | 704 66 | |
| Matthew Fallaber, | 100 00 | | |
| Wm. Hodgkiss, | 4 59 | | |
| J. Spicer, | 10 00 | | |
| Rob't Bolton, | | 2 56 | |
| C. P. Russell, | 2 58 | | |
| | <u>\$35,503 40</u> | <u>\$2,191 93</u> | <u>\$2,081 38</u> |

(B.)

Schedule of Notes given by B. Porter, Acting Commissioner.

| | |
|---------------------------|--------|
| Sam'l Blackwell & Co., | \$5 38 |
| Amos Bigelow, | 181 10 |
| B. W. Rockwell & Co., | 40 50 |
| A. Bennett, jr., | 21 24 |
| Richard Pickles, | 90 00 |
| Jas. Ward, | 27 19 |
| do | 16 25 |
| John O'Neil, | 21 50 |
| John McCabe, | 33 33 |
| do | 38 50 |
| do | 5 00 |
| Thomas Carrigan, | 13 12 |
| Jno. Rhinefrank, (draft,) | 56 15 |
| N. Skinner, | 10 50 |
| Thos. Cullen, | 63 80 |
| To bearer, | 38 |
| Thos. Cullen, | 50 00 |
| B. C. Clack, | 12 00 |
| S. Stevens, | 12 26 |
| Wm. Cowdin, | 10 32 |

Carried forward,

SENATE DOCUMENTS.

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| Brought forward, | | \$ |
|--|--|-------------------|
| Thos. Carrigan, | | 8 00 |
| Edward Miller, | | 23 88 |
| Jno. Hubbell, | | 15 12 |
| J. C. Bradt, | | 24 38 |
| Ganson & Monroe, | | 201 38 |
| M. Fallaher, \$76 13, \$34 45, \$23 62, | | 131 20 |
| D. Hodges, | | 10 28 |
| S. W. Stowell, \$90 00, \$92 00, | | 182 00 |
| Jas. Blany, | | 52 69 |
| C. B. Russell, | | 5 00 |
| Jno. Smitherman, | | 137 25 |
| Chester Burnet, | | 170 00 |
| Jno. Gillispe, | | 10 00 |
| J. A. Rud, \$6 00, J. C. Bradt \$25 00, | | 31 00 |
| Ford & Son, | | 120 24 |
| M. B. & J. W. Medbury, | | 50 00 |
| Draft by Z. Platt on B. Porter, accepted Feb. 15, 1839, | | 100 00 |
| J. Cockburn, | | 21 48 |
| | | <hr/> |
| | | <u>\$1,950 42</u> |

(C.)

Schedule.

| | |
|--------------------------------------|-----------------|
| Bank of Coldwater, | \$18 00 |
| River Raisin and lake Erie railroad, | 8 00 |
| Bank of Allegan, | 3 00 |
| St. Joseph county bank, | 68 00 |
| Brest, | 175 00 |
| Clinton, | 205 00 |
| Clinton canal, | 415 00 |
| | <hr/> |
| | <u>\$892 00</u> |

Benjamin Porter sworn, says, that he received the whole of the amount of the money presented to the committee, the sum of \$963, from Amasa B. Gilson, drawn by the commissioners from the State bank, except the sum of \$71 00, taken lately by himself in Ypsilanti bills; says, that no overdraft was made on the bank before the first day of October, 1838, and that the uncurrent funds above was handed him by Gilson before that time.

Amasa B. Gilson, sworn, says that the money presented to him and paid by him to Mr. Porter, was drawn by the commissioners from the State bank before the amount of th

appropriation was exhausted. The officers of the bank from which the money was drawn, induced witness to take conditionally \$600 00 of Clinton canal and Brest bills, and he did take that amount upon condition that the bank should take the amount back provided the same could not be used by the commissioners as current funds. The money so taken, was not, nor could be used, and the same was returned to the bank within the time agreed upon, and the bank executed the receipt of it; the receipt of the amount was put off till some future time.

—
(D.)

(Copy.)

Z. Platt's lumber contract and receipt, No. 112.

H. B. Lathrop, sworn, says that he knows of no collusion between Platt and Porter, in relation to the lumber. Has heard from D. T. Dwight, that there was, or an intimation was made by him, that there was an understanding that the commissioner would advance money, to enable Platt to meet his instalments on his purchase from Lathrop.

This agreement, between Zephaniah Platt, of the town and county of Jackson, state of Michigan, of the first part, and Benjamin Porter, as acting commissioner for the state penitentiary at Jackson, aforesaid, and his successors in office, if such there should be, of the other part, witnesseth: that the said party of the first part, binds himself, his heirs, executors and administrators, to deliver one hundred and fifty thousand feet of good white wood and oak lumber, at ten dollars per thousand feet, of such quantities, and at such times, as the said commissioner shall direct, for the use of the penitentiary, and within one-half mile of the said penitentiary. And the said party of the second part, agrees to pay therefor, the price above mentioned.

In witness whereof, the said parties have hereunto set their hands and seals, this twenty-fifth day of December, one thousand eight hundred and thirty-eight.

(Signed,)

Z. PLATT, [L. s.]

B. PORTER, [L. s.]

Acting Commissioner.

In presence of T. G. WALLACE.

I, Joseph Septimus Ward, clerk of the state prison, at Jackson, do hereby certify that the above is a correct copy of the original contract, now on file in my office.

J. S. WARD, *Clerk, S. P.*

Jackson, December 31, 1839.

(Copy.)

This agreement between Zephaniah Platt, of the town and county of Jackson, state of Michigan, of the one part, and Benjamin Porter, as acting commissioner for the state penitentiary, at Jackson, aforesaid, and his successor in office, if such there shall be, of the other part, witnesseth, that the said party of the first part binds himself, his heirs, executors and administrators to deliver one hundred and fifty thousand feet of good white wood and oak lumber, at ten dollars per thousand feet, in such quantities and at such times as the said commissioner shall direct, for the use of the penitentiary, and within one-half mile of the penitentiary, and the said party, of the second part, agrees to pay therefor the price above mentioned.

In witness whereof, the said parties have herunto set their hands and seals, this twenty-fifth day of December, 1838.

(Signed,)

Z. PLATT, [L.S.]

B. PORTER, [L.S.]

Acting Commissioner.

In presence of DANIEL PARKHURST.

I hereby certify, that it was part and parcel of the above contract, although it is not so expressed therein, that the acting commissioner shall proceed without delay, as soon as the appropriation money was received, to construct a raceway so as to conduct the water from the Grand river to the prison ground, in order (not only to supply the state with water-power, but) that the said Platt should have water for his mill. My chief inducement in agreeing to do so, was, that the state might be saved much expense in the hauling of lumber for the prison; Mr. Platt's mill being contiguous to the prison. I considered that the advantage to the state from having such water power to punch the holes in the iron for gratings, would of itself be sufficient to compensate for making of the race; and the facility it would afford Mr. Platt at his saw mill, and the consequent advantage to the state in getting their lumber so near by, operated with me as an additional inducement to make the agreement.

B. PORTER,

Late Acting Commissioner.

Jackson, October 21, 1838.

Memorandum.

On the 25th December, 1838, the day of the date of the within contract, I received of Mr. Porter, his check on State

bank for fifteen hundred dollars, to be applied upon said contract, and for which I then gave him my receipt accordingly.

(Signed,)

Z. PLATT.

N. B. The above is a memorandum written on Mr. Platt's contract.

[No. 28.]

Report of the Committee on Incorporations, on certain resolutions inquiring into the expediency of prohibiting the circulation of bills of less than five dollars, and creating a bank from the balance of the five million loan, &c.

The committee on incorporations, to whom was referred the above mentioned preamble and resolutions, beg leave to report:

That, in relation to the first resolution, your committee have not had time or opportunity to give it that consideration which in their opinion, its importance demands, and therefore, for the present, refrain from giving any opinion on the matters to which it relates, reserving it, with other inquiries of a similar import, for future and more deliberate consideration.

In relation to the second resolution, your committee is of opinion, that, so far as practicable, experience has tested the question of utility of bank notes of denominations as low as one dollar, the evidence is most conclusive in favor of their use. If any inference can be drawn from the late suspension of the state bank, it would seem to place the question on ground most decidedly favorable to the use of small notes, as a means of enabling banks to sustain specie payments in cases of emergency and public distrust. The banks in Pennsylvania, and nearly all the states south and west, have been forced to yield to the late pressure and suspend specie payments. In nearly, if not all these states, the circulation of bank notes of a less denomination than five dollars, has been prohibited by law, while in New York, New Jersey and the New England states, the circulation of small notes has not only been permitted, but encouraged; the banks with very few exceptions, have resisted the pressure, and continued to redeem their notes in coin. But viewing this matter as connected with the interest and accommodation of the people, independent of its bearing upon the banks, we find still stronger evidence in favor of the issue and circulation of small notes; and here again your committee beg leave to refer, for example, to the state of New York.

At the commencement of the modern improvement in the

currency, when gold and silver were to be the order of the day, paper banished from circulation, and the vacuum to be filled with the glittering coin, the empire state was numbered among the faithful. The experiment was there tried, and a law passed, prohibiting the issue and circulation of notes of their own banks under five dollars. The measure was productive of great inconvenience to the whole community, but particularly to the poorer classes, and created a demand for a circulating medium adapted to the ordinary transactions of life, of so pressing a character, as in a great measure to do away with any scruples about the quality of the supply. The consequence was, that her eastern neighbors availed themselves of the opportunity of supplying the vacuum, which, if we may credit the statements made upon the floor of the legislature on the subject, was, in a great measure, filled up with spurious or otherwise totally worthless paper. Suffice it to say, that New York, fully satisfied of the inexpediency of this first measure towards an improvement in her currency, has repealed her prohibitory law, and seems now well pleased with a return to her former position.

Respecting the inquiry directed to be made in the second branch of the resolutions, your committee is somewhat at a loss to determine what would be the effect of making "gold and silver sixteen times as scarce as they now are," or what bearing such an inquiry could have on matters within the power or jurisdiction of the legislature of Michigan. But, should "the commercial world" at any time hereafter, think proper to refer to this body, the subject matter embraced in the latter clause of the resolution under consideration, your committee would recommend such deliberation upon the subject as its importance and magnitude demands.

All of which is respectfully submitted.

S. V. R. TROWBRIDGE,
Chairman.

[No. 29.]

Report of Rix ROBINSON, Commissioner of Internal Improvement, relative to the Saginaw Canal.

OFFICE OF INTERNAL IMPROVEMENT, }
Detroit, January 28, 1840. }

To the Hon. J. WRIGHT GORDON,
President of the Senate:

SIR—The undersigned, commissioner having charge of the Saginaw canal, in pursuance of a resolution of your honorable

body, adopted on the 24th instant, has the honor respectfully to report,

That in the fall of the year 1837, a quantity of provisions were purchased by James B. Hunt, the (then) acting commissioner, for the purpose of supplying the contractors on that work.

Accompanying this report, will be found copies of the vouchers for said provisions, numbering from three to twelve, which amount (as charged on the books of the board,) to the sum of

\$4,308 12

From this amount, however, should be deducted the amount of vouchers, No. 3, and 10, herewith submitted, the same being for provisions for the engineer department, and the transportation thereon, and the transportation of sundry engineers, and not chargeable to this account, but should have been charged to the account of engineering,

277 04

Cost of provisions delivered at Saginaw,

\$4,031 08

By reference to the accompanying papers, (copies of the original presented to the board of internal improvement by G. D. Williams, Esq.,) herewith submitted, (marked A, and B,) it will be seen that provisions have been disposed of to sundry individuals by Messrs. G. D. & E. S. Williams, to the amount of

\$1,980 50

That there has been furnished to the engineer department, on said work, provisions to the amount of

206 38

That Alpheus F. Williams, a contractor on said work, has received provisions to the amount of

641 78

That there has been delivered to James Kenny, a contractor on said work, provisions to the amount of

715 41

That provisions were spoiled amounting to

31 68

That there is in the hands of Messrs. Williams' and myself, the following items, as will appear from the accompanying paper, (marked A,) viz:

A certificate from the Saginaw bank, \$151 00

Cash on hand at Saginaw, 43 39

in the hands of S. D. Williams,
unavailable, and which I have
received from him,

127 00

321 39

Carried forward,

Brought forward,
Provisions now on hand, tea, fish
and cheese,

47 44

\$3,044 58

There is also a check in my hands, of William A. Burt, acting commissioner on the Michigan state bank, for \$105 91, which for the want of the necessary information on the subject, I am unable to state for what purpose it was given, but from a receipt which has been exhibited to me by one of the Messrs. Williams', I should infer that it was received from them, to apply on their account, (marked B,) for provisions sold them.

By an item which appears in document A, provisions were furnished the engineer department, amounting to \$206 38. I deem it important to state, that these provisions were furnished the engineers while engaged in locating the line of this work, and it having been the custom to pay the board of engineers, while employed in making locations, these provisions were delivered them for their subsistence while performing this duty.

The amount delivered Messrs. Kenny & Farrand, as appears in document A, has been paid by them, and deducted from voucher No. 6, of William A. Burt, acting commissioner, paid July 9, 1838; by reference to this voucher, it appears that the sum of \$815 41 has been deducted therefrom, the excess of \$100 has probably been for an advance, in cash, of that amount made Messrs. Kenny & Farrand, by James B. Hunt, late acting commissioner.

The amount delivered Alpheus F. Williams, also charged in document A, has been collected from him and deducted from voucher 36, of William A. Burt, acting commissioner, April 18, 1839, as follows, viz:

For amount of provisions received of G. D. & E. S. Williams,

\$641 78

Commissions and charges, 5 per cent.,

32 00

673 87

Two yoke oxen, delivered him
by John Beach, the property of
the central railroad,

\$185 00

Twenty-five blankets, also delivered
him by John Beach, the property
of said road,

25 00

160 00

\$833 87

In the report of Mr. Burt, he states the amount of the cost of these provisions at \$4,608 12; I am unable to arrive at the items which he has found to increase this account in the sum of \$300, but presume, as an item for storage occurs in each of the accompanying documents, A and B, of \$150 each, that he has supposed that this sum, being the two amounts of \$150 each, was to be added to the amount which is charged this account on the books of the board. I am unable to assign any other reasons for this error, as nothing appears in vouchers subsequently audited, which could be charged this account.

By a resolution of the board, passed on the 26th day of February, 1839, the accounts and papers relative to the provisions sent to Saginaw, were referred to Mr. Burt, to settle, he being at that time acting commissioner on that work. Mr. Burt did not effect a settlement of the affair, but about the time of the expiration of the term of his office as commissioner, he placed the papers in my hands, the Saginaw canal then being under my charge, it was presumed I might be able to bring this matter to a final settlement. The work on the canal having been abandoned by the contractors about that time, my official duties have not called me to that section of the country. Consequently I have not been able to close up the matter.

All which is respectfully submitted.

RIX ROBINSON,
Commissioner Internal Improvement.

(A.)

(Copy.)

Saginaw, January 17, 1839.

Sundry amounts due the Saginaw canal, for provisions sold at this place by G. D. & E. S. Williams.

| | |
|------------------------------------|---------|
| E. Jewett, | \$30 00 |
| A. S. Allen, | 11 50 |
| G. D. Williams, (as commissioner,) | 42 00 |
| Peter Gruet, | 54 50 |
| Bills receivable, | 231 00 |
| Asa Hill, | 113 63 |
| Samuel Westbrook, | 1 50 |
| Thomas Rodgers, | 3 50 |
| Benoit Tremble, | 11 50 |
| William F. Mosely, | 19 96 |
| John Hall, | 2 40 |

Carried forward,

SENATE DOCUMENTS

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| | | |
|--|----------|-------------------|
| Brought forward, | | |
| Abram Butts, | | 16 50 |
| Jeremiah Riggs, | | 46 00 |
| J. J. Malden, | | 17 00 |
| J. T. & A. Miller, | | 3 57 |
| Saginaw outfit, | | 62 94 |
| G. D. & E. S. Williams, balance | | |
| of account, | \$900 00 | |
| do do amount | | |
| assumed for J. Frazer, | 413 00 | |
| | | <u>1,313 00</u> |
| Profit and loss for 325 lbs. cheese spoiled, at 9 c. | | 31 68 |
| | | <u>\$2,012 18</u> |
| This amount supplied the engi- | | |
| neers on the Sa- | | |
| ginaw canal, | \$206 38 | |
| paid Alpheus F. Wil- | | |
| liams on his con- | | |
| tract on Saginaw | | |
| canal, | 641 78 | |
| paid James Kenny, | | |
| on his contract on | | |
| Saginaw Canal, | 715 41 | |
| | | <u>1,563 57</u> |
| Certificate of deposit from Sagi- | | |
| naw bank, | 151 00 | |
| Cash on hand at Saginaw, | 43 39 | |
| in the hands of G. D. Wil- | | |
| liams, (wild cat,) | 127 00 | |
| | | <u>321 39</u> |
| Provisions now on hand, tea, fish and cheese, | | 47 44 |
| | | <u>\$3,944 58</u> |

(B.—No. 1.)

(Copy.)

| | |
|---|-------------------|
| Amount of provisions received from Detroit, | \$3,731 08 |
| Transportation thereon, paid by state, | 300 00 |
| Storage, paid by G. D. & E. S. Williams, | 150 00 |
| | <u>\$4,181 08</u> |

Memorandum.

N. B. There was no commission charged on the amount paid to A. F. Williams, and only five months' interest.

The amount paid to James Kenny, is calculated in the same manner; also the amount supplied the engineers.

(No. 2.)

(Copy.)

Saginaw, September 14, 1838.

*G. D. & E. S. Williams, to the State of Michigan,
DR.*

1838.

| | | | |
|-------|-----|---|--------|
| Feb. | 5, | For 32½ lbs cheese, charged to Asa Hill, on your books, at 9 cts. | \$2 93 |
| | 10, | 3 bbls extra mess pork, 1 at \$22 50, and 2 at \$23 00, | 68 50 |
| | | 4 kegs butter, kegs 2s each, 214 lb, at 17c, | 37 38 |
| | | 213 lbs cheese at 9c, | 19 17 |
| | | ½ bushel dried apples, at \$1 75; 5 bbls flour at \$8 10, | 41 38 |
| | | 16½ lbs sugar at 14 cts, | 2 28 |
| | 24, | Amount charged Antoine Peltier, on your books, for balance on flour, | 8 00 |
| | 27, | 1 bbl mess, \$22 50; 1 bbl flour, \$8 10; 1 bbl f. mess pork, \$21 00 | 51 60 |
| Mar. | 6, | 2 do flour, \$8 10; 1 do f. mess pork \$21, | 37 20 |
| | 7, | 2 do do \$8 10; 1 do mess do \$22 50, | 38 70 |
| | 19, | 14 lbs lard, 9 cents; 21½ lbs cheese, at 9c; | 3 20 |
| | 20, | 1 peck of beans, at \$1 75, | 44 |
| | 24, | Amount charged Peter Gruet, on your books, for flour to Rourassa, | 10 00 |
| | 26, | 15½ lard, at 9 cts, 1 bbl flour, \$8 10, | 9 48 |
| April | 3, | 1 bbl flour, \$8 10, 1 do \$8 10, | 16 20 |
| | 4, | 1 keg butter, 58 lbs, 17c, keg, 2s; 34 lb lard, at 9 cts, | 10 01 |
| | 5, | 1 bbl extra mess pork, \$23 60; 1 peck beans, 44c, | 23 44 |
| | 15, | 9 lbs codfish, at 6½ cts; 1 bbl flour, \$8 10, | 8 69 |
| | 17, | 1 bbl flour, \$8 10; 19th, 1 do \$8 10 | |
| | 23, | 1 do do \$8 10, | 24 30 |
| | 24, | Amount charged Henry Campeau, on your books for flour, | 4 50 |
| | 27, | 15½ lbs lard, at 9 cts: 3 bbls flour, \$8 10 | 25 70 |
| May | 3, | 1 bbl hams, | 17 00 |
| | 8, | 1 do thin mess pork \$21 00; 3 bbls flour, \$8 10, | 45 30 |

Carried forward,

SENATE DOCUMENTS.

285

| | | | |
|---|---|---------|----|
| Brought forward, | | \$ | |
| May 13, | For 1 bbl flour, \$8 10; 15th, 2 bbls flour, at \$8 10, 1 bbl flour \$8 10, | 32 | 40 |
| 26, | 2 do, | 16 | 20 |
| 29, | 1 bushel beans, at \$1 75; amount assumed for F. Glasgow, \$5, | 6 | 31 |
| June 4, | 107-200 bbl thin mess pork, at \$21 00; 1 bbl flour, \$8 10 | 19 | 34 |
| | 2 lbs tea, at 60 cts; amount charged Ensign, on your books, 75 cts, | 1 | 95 |
| 6, | 2 bbls flour, \$8 20; 18th, 1 bbl mess pork, \$22 50, | 38 | 70 |
| 22, | 1 do do \$8 10; 25th, 3 bbls flour, \$8 10, | 32 | 40 |
| 25, | 1 peck beans, | | 44 |
| July 10, | 1 bbl flour; 14th, 1 do do, | 16 | 20 |
| 18, | 1 do do \$8 10; amount charged on your books, 74 cts, | 10 | 84 |
| 21, | 2 do do do; 1 bbl mess pork, \$22 50 | 46 | 80 |
| 23, | 1 do mess pork, | 22 | 50 |
| Aug. 13, | 1 do do do, | 22 | 50 |
| 14, | 1 do flour, \$8 10, 1 do \$8 10, 1 do \$8 10 | | |
| | 7 lbs lard, at 9 cts; 23 lbs do, | 26 | 91 |
| | 1 do flour, \$8 10; 1 do mess pork \$22 50, | 46 | 80 |
| | 81 codfish, at 61 cts, | | 55 |
| Sept. 8, | Amount charged Z. R. Webb, for order to L. Hill, on Haring, | 10 | 00 |
| | 101 lbs lard, at 6 cts, | | 94 |
| 5, | 3 bbls flour, \$8 10 | 24 | 30 |
| 10, | 1 do do \$8 10; 381 lbs lard, at 9 cts, on the 14th, | 11 | 58 |
| 15, | 1 do do \$8 10; 81 lbs cheese, at 8 cts, | 8 | 98 |
| | | <hr/> | |
| | | \$901 | 44 |
| Transportation on this amount from Detroit to Saginaw, | | 73 | 40 |
| | | <hr/> | |
| | | \$973 | 98 |
| Interest on this amount for 12 months, at 7 per cent, per annum | | | |
| Amount of storage paid, on \$901 44, | | 24 | 15 |
| Commission on sales of \$901 44 cts, 5 per cent. | | 45 | 07 |
| | | <hr/> | |
| Total amount, | | \$1,043 | 15 |

| | | | |
|-----------|---|--|------------|
| 1838. | CR. | | |
| Feb. 27, | By 1 bbl whitefish, charged to Hovey, | | |
| | per commissioner, | | \$14 00 |
| | Balance due the state of Michigan; | | |
| | Sept. 17, 1838, | | 1,029 15 |
| Sept. 20, | To 1 bush. apples, 37½ cts; 6½ lbs lard, 9c. | | 98 |
| | 5 lbs damaged cheese, 8 cts, | | 40 |
| | 23, 1 bbl flour, \$8 10; 7½ lbs lard, \$1 16, | | 9 26 |
| | 24, 28½ lbs lard, at 9 cts, | | 2 54 |
| Oct. 2, | 10½ lbs lard, at 9 cts; 3 bbls flour, \$8 10, | | 25 21 |
| | 8, 1 bush. beans, 88 cts; 1 do do \$8 10, | | |
| | 4½ lbs cheese, 83 cts, | | 9 31 |
| | 20, 20 lbs lard, at 9 cts, barrel 50 cts, | | 2 30 |
| Nov. 2, | 1 bbl flour, | | 8 10 |
| | 20, 2½ lbs tea, at 60 cts, | | 1 50 |
| Dec. 4, | 44 lbs damaged cheese, at 8 cts, | | 3 52 |
| | 12½ lbs codfish, at 6½ cts; 24½ lbs coffee, | | |
| | at 15 cents, | | 4 46 |
| | 8½ lbs tea at 60 cts, | | 5 10 |
| | Transportation and storage on \$72 68, | | 110 50 |
| | Commission on sales of \$72 68, at per cent, | | 3 63 |
| | Cash at sundry times, | | \$88 00 |
| | Amount credited Samuel K. Harring, | | 25 48 |
| | do do Hinds Smith, | | 6 26 |
| | do do Murdock Fraser, | | 3 23 |
| | | | 122 97 |
| | | | \$1,238 93 |

| | | |
|--|--|------------|
| CR. | | |
| By rent of engineer's office 12 months, at | | |
| \$6 per month, | | \$72 00 |
| Commission on sales of \$3,697 64, at 5 per | | |
| centum, | | 184 88 |
| Amt paid storage to J. T. & A. Miller, | | 150 00 |
| | | 406 88 |
| Balance due the state, | | \$832 05 |
| Interest on balance due from 9th November, 1837, | | |
| until 9th January, 1838, being 14 months, at 7 | | |
| per cent, | | 67 95 |
| | | \$900 00 |
| Amount assumed for James Fraser's account, | | 413 00 |
| Amount due, | | \$1,313 00 |

SENATE DOCUMENTS.

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(No. 3.)

(Copy.)

Saginaw Canal, of the State of Michigan, to E. Morse & Co.,
1837. DR;

| | | |
|---|--------------|--------|
| Oct. 26, For 50 lbs codfish, at | 7 c. per lb. | \$3 50 |
| 5 hams, 92 lbs, | 13 do | 11 06 |
| 30 lbs Java coffee, | 16 do | 5 00 |
| 3 do chocolate, | 22 do | 66 |
| 5 do Y. H. tea, | 69 do | 3 44 |
| 2 do saleratus, | 12 1/2 do | 25 |
| 1 box table salt, | | 19 |
| 1 box, 25 cts; 22 lbs sperm candles, | 44 | 9 87 |
| 8 1/2 lbs soap, | 12 1/2 do | 1 06 |
| 1 do ground pepper, | | 25 |
| 1 dozen mustard, | 18 1/2 do | 1 13 |
| 1 lb ginger, | | 25 |
| 62 do cheese, | 12 1/2 do | 7 75 |
| 1 box, 25 cts; 50 lbs sugar, | 12 1/2 do | 6 50 |
| 1 large box and sack, 50 cents each, | | 1 00 |
| 1 box, 25 cts; 50 lbs rice, | 8 do | 4 25 |
| 1 bbl hard bread, | | 5 50 |
| 1 do crackers, 86 lbs; bbl 2s. 8 | do | 7 37 |
| 1 do mess pork, \$24 00; 1 bbl beef \$8, | | 32 00 |
| 1 box, 2s.; 40 1/2 lbs loaf sugar, | 20 do | 8 35 |
| 1 bag, 4s; 2 bushel beans, \$2 50 | do | 5 50 |
| 5 bbls flour, \$8 50; 1 bbl prime pork, \$16, | | 58 50 |
| cartage, | | 75 |

\$175 04

I certify the above account to be correct.

(Signed,)

JOHN BEACH.

Received of James B. Hunt, acting commissioner, the sum of one hundred and seventy-five dollars and four cents, in full of the above account.

(Signed,)

E. MORSE & CO.

per HINCHMAN.

Detroit, October 28, 1837.

[Duplicates.]

(No. 6.)

(Copy.)

Saginaw Canal, of the State of Michigan, to Page and Durand,
DR.

1837.

Nov. 8, For 200 bbls. superfine flour, at \$8 10, \$1,620 00

\$1,620 00

I certify the above account to be correct.

(Signed,)

JOHN BEACH.

Received of James B. Hunt, acting commissioner, the sum of sixteen hundred and twenty dollars, in full of the above account.

(Signed,)

PAGE & DURAND,
per PARKER.

November 8, 1837.

[Duplicates.]

(No. 7.)

(Copy)

Saginaw Canal, of the State of Michigan, to H. V. Disbrow
& Co.,
DR.

1837.

Nov. 8. For 2 chests y. h. tea, 192 lbs. a 60 cts. \$115 20
1 bag Rio coffee, 144 lbs, a 15 cts. 21 60
1 box codfish, 311 lbs, a 6½ cts. 20 22
1 box P. R. sugar, 247 lbs, a 14 cts. 34 83

\$195 85

I certify the above account to be correct.

(Signed,)

JOHN BEACH.

Received of James B. Hunt, acting commissioner, the sum of one hundred and ninety-one dollars and eighty-five cents, in full of the above account.

(Signed,)

H. V. DISBROW & CO.

November 9, 1837.

[Duplicates.]

SENATE DOCUMENTS.

289

(No. 8.)

(Copy.)

Saginaw Canal, of the State of Michigan, to J. Nelson,
DR.

1837.

| | | |
|---------|---------------------------------------|---------|
| Nov. 8, | To 21 bushels white beans, at \$1 75, | \$36 75 |
| | 7 bowls, 25, | 1 75 |
| | | <hr/> |
| | | \$38 50 |

I certify the above account is correct,
(Signed,)

JOHN BEACH.

Received of James B. Hunt, acting commissioner, the sum of thirty-eight dollars and fifty cents, in full of the above account.

(Signed,)

J. NELSON,
per LOWELL W. TINKER.

November 9, 1837.
[Duplicates.]

(No. 9.)

(Copy.)

Saginaw Canal, of the state of Michigan, to Gillet & Desnoyers,
DR.

1837.

| | | | |
|---------|--------------------------------------|---------|------------|
| Nov. 8, | 6 casks cheese, 1,056 lbs, at | 9 cts. | \$95 04 |
| | 18 kegs butter, 1,031½ lbs, kegs 2s. | 17 | 179 85 |
| | 5 bbls. lard, 1,026 lbs, bbls 4s. | 9 | 94 84 |
| | 45 do mess pork, | \$22 50 | 1,012 50 |
| | 1 sack dr'd ap's, 8 bush, sack 4s. | 1 50 | 12 50 |
| | | | <hr/> |
| | | | \$1,394 78 |

I certify the above account to be correct,
(Signed,)

JOHN BEACH,

Received of James B. Hunt, acting commissioner, the sum of thirteen hundred and ninety-four dollars and seventy-three cents, in full of the above account.

(Signed,)

GILLET & DESNOYERS.

November 9, 1837.
[Duplicates.]

(No. 10.)

(Copy.)

*Saginaw Canal, of the state of Michigan, to steamboat Governor
Marcy,*

1837.

DR.

| | | |
|--|-------|-----------------|
| Nov. 9, For freight of 17 bbls, at \$1 00, | | \$17 00 |
| passage of C. L. Smith, | 16 00 | |
| E. L. Winslow, | 8 00 | |
| A. Hovey, | 8 00 | |
| E. L. Wentz, | 8 00 | |
| — McDonald, | 8 00 | |
| F. Hawley, | 8 00 | |
| — Rice, | 8 00 | |
| — Orcott, | 8 00 | |
| James Keeney, | 8 00 | |
| Alfred, Parker, | 8 00 | |
| | — | \$85 00 |
| | | <u>\$102 00</u> |

I certify the above account to be correct.

(Signed,)

CHAS. F. SMITH.

Received of James B. Hunt, acting commissioner, the sum of
one hundred and two dollars, in full of the above account.

(Signed,)

G. R. McKENZIE.

Detroit, November 9, 1837.

[Duplicates.]

(Copy.)

Saginaw, November 10, 1837.

JAMES B. HUNT, Esq:

Please pay captain McKenzie or bearer, the sum of three
hundred dollars, being for freight for three hundred barrels from
Detroit to Saginaw, and charge the same to the Saginaw
canal.

G. D. WILLIAMS,

Commissioner on the Saginaw canal.

(No. 11.)

(Copy.)

*Saginaw Canal, of the state of Michigan, to steamboat Governor
Marcy,*

1837.

DR.

Nov. 7, For freight of 300 bbls bulk, from De-
troit to Saginaw,

\$300 00

 \$300 00

I certify the above account to be correct.

(Signed,)

G. D. WILLIAMS.

Received of James B. Hunt, acting commissioner, the sum
of three hundred dollars, in full of the above account.

(Signed,)

MEAD, KELLOGG & Co.,

Agents steamboat Gov. Marcy.

November 17, 1837.

[Duplicates.]

(No. 12.)

(Copy.)

*Saginaw Canal, of the state of Michigan, to Gillet & Des-
noyers,*

1837.

DR.

| | | |
|----------------------------|-------|----------|
| Nov. 9, To 6 bbls hams, at | \$17, | \$102 00 |
| 3 do mess pork, at | 23, | 69 00 |
| 15 do thin mess pork, at | 21, | 315 00 |

 \$486 00

I certify the above account to be correct.

(Signed,)

JOHN BEACH.

Received of James B. Hunt, acting commissioner, the sum of
four hundred and eighty-six dollars, in full of the above ac-
count.

(Signed,)

GILLET & DESNOYERS.

November 18, 1837.

[Duplicates.]

[No. 30.]

Report of the Committee on Roads and Bridges, relative to overseers of highways.

The committee on roads and bridges, to whom was referred a resolution introduced by the hon. S. V. R. Trowbridge, on the 18th instant, requesting said committee to inquire into the expediency of so amending or repealing section eight of part first, title six and chapter first of the revised statutes, as to prohibit the overseers of highways the right to assess *additional* highway labor, except on application to the commissioners of highways, respectfully report:

That the unjustifiable and improvident exercise of this provision of the revised statutes, by many overseers of highways, has been oppressive, and has caused, in some counties, perhaps in all, a pretty general expression of complaint and dissatisfaction, and not more so on account of the increased amount of the tax, than from the misapplication, or want of any application at all, of the sums thus raised.

This declaration is not ideal or imaginary. These complaints have been made to the members composing this committee by many of their immediate constituents, and urging upon them the necessity of such enactments as would, at least, mitigate, and, if possible, entirely remove the evil. The committee probably ought not to indulge in any remarks calculated to impugn the motives of, or be derogatory to the character of overseers of highways *generally*. The scrutiny of their conduct is with the people. But the fact is notorious that many of our overseers of highways are as *leeches* upon the body politic; and this is not charged upon them, as possessing more *springly* of the moral virtues than other men. But it is owing mainly to the improper position in which they stand, as *receivers* and *disbursers*. The overseers of the highways in this state, make it their business to perform the labor upon the highways for such of the non-residents as reside either in the adjoining towns or counties, and the committee know of some instances where overseers of highways are wholly employed in this business during the spring and fall months. It strikes the committee very forcibly, that the impropriety of the law, in giving men, *thus circumstanced*, the power to increase to 33½ per cent, the burthens of the people, must be apparent, and ought to be remedied, as suggested in the resolution under consideration. The committee are of the opinion that it is, to say the least, a dangerous principle, and of doubtful policy, to permit those who are to be *benefited* by the disbursement of money, to increase at pleasure the sum thus to be disbursed. This is indeed, *in effect*, "a union of the purse and the sword."

The committee believe that a still greater objection to the exercise of this right by overseers of highways, may be found in the *anomaly* that the commissioners of highways are not limited in the amount of *their* assessments by a maximum, and thus, while by the minimum they cannot assess *less*, they may, unrestrained by a maximum, increase *ad infinitum*. With such unlimited authority in the hands of commissioners of highways, the committee cannot but infer that their assessments will be abundantly sufficient, as well for the opening of new roads as for the repairing the old. If, however, the committee be doubtful, they believe it would be demonstrated in the allusion, having a direct bearing on this subject, in the message of our venerable governor. In this instance, the state and county taxes were \$6 44, and the highway tax, on the same land, for the same year, was \$40!! The committee entertaining these views, recommend the adoption of the amendment suggested in the resolution, and the committee have directed their chairman to report a bill, wholly repealing section eight, of part first, title six and chapter first of the revised statutes, and a substitution of a section in lieu thereof.

Respectfully submitted.

SEBA MURPHY,
Chairman.

[No. 31.]

**Report of the Committee on Internal Improvement,
relative to abrogating the present board of com-
missioners of internal improvement.**

The committee on internal improvement, to whom was referred the resolution of the senate, instructing said committee to inquire into the expediency of providing by law, for the abrogation of the present board of internal improvement, and for the appointment and organization of a new board, respectfully report:

That from the best information the committee have been able to obtain, it appears that the daily expenses of our works of internal improvement, independent of the expenses of constructing said works, is not less than one hundred dollars per day, mostly growing out of the large number of salaried officers, whose aggregate salaries amount to twenty-eight thousand dollars per annum, an expense too greatly disproportioned to the benefits conferred, and that in the present condition of our public works and the internal improvement fund, may justly be regarded as unwarranted, and demanding immediate legislative

action; the committee have, therefore, prepared a bill to be submitted herewith. Under the operations of the bill proposed, at least one half of the expenses now accruing, would be saved to the internal improvement fund, while it could work no possible injury. The bill repeals so much only of the existing law as relates to the appointment and organization of a board, leaving the residue in full force. It requires the new board to take care of the roads and property of the state, collect and pay over tolls, &c., fulfill all legal contracts now in force, but prohibits any new contracts for extending the works until hereafter directed by law.

T. E. GIDLEY, *Chairman.*

[No. 32.]

Report of Committee on Roads and Bridges, relative to the vacations of public highways by twelve freeholders.

The committee on roads and bridges, to whom was referred a resolution introduced by the hon. S. V. R. Trowbridge, on the 16th inst., and adopted, directing said committee to inquire into the expediency of repealing so much of the revised statutes, of part first, title six, chapters first and fourth, as require the action of twelve freeholders to vacate or discontinue a public highway, respectfully report:

That they have examined the subject referred to in said resolution, and have devoted to it that consideration which, in the opinion of the committee, would enable them to come to correct conclusions in the matter submitted. The committee believe that enactments amendatory to, or repealing any part of the revised statutes, should be seldom made, and never without great caution. Frequent innovations and changes in the permanently established laws of any state or people, ought not to be made except when evidently a present evil will thereby be avoided, and a future benefit secured. Past experience has sufficiently demonstrated that the amendments to, and the abolition of many parts of the revised statutes, have entirely, or nearly so, failed in the attainments of the object sought, and have rather tended to mystify and darken, and thereby *increase litigation*, rather than to render them more simple and comprehensive.

The committee are aware of the fact that many prefer complaints against the revised code, and the committee are ready to acknowledge that, in some few instances, these complaints

may be well grounded. Errors, no doubt, have crept in, and escaped the notice of the revisers. The revisers were not infallible, and we have a still stronger evidence of the greater fallibility of those who *seem* to be disappointed in not finding the productions of the revisers *perfect*. The committee are, however, of the opinion that the repealing and amending such parts of the revised statutes as are alluded to in the resolution under consideration, and for the purposes therein set forth, is not only expedient, but will promote the public interest and convenience; and the committee, in accordance with the foregoing conclusion, have requested me, as the chairman of said committee, to report a bill that shall embrace the object of the resolution.

Respectfully submitted.

SEBA MURPHY,
Ch'n Committee on Roads and Bridges.

[No. 33.]

Communication from the office of Internal Improvement.

OFFICE OF INTERNAL IMPROVEMENT, }
Detroit, February 4, 1840. }

The board of internal improvement, have the honor to report, to the honorable the senate, in accordance with a resolution passed by that body, on the 1st inst., that,

James B. Hunt, late acting commissioner, has made advances to the following persons, contractors on the Clinton canal, by authority of a resolution of the board, passed September 7th, 8th, 1838, in accordance with the authority given them, by the second section of the act entitled "An act, to amend an act, entitled 'An act for the regulation of the internal improvement,' " &c., approved April 6th, 1838, and for which he has taken bonds, approved of by Robert Abbott, late auditor general, as follows:

| | |
|------------------|-------------------|
| To Thomas Plues, | |
| Sept. 22, 1838, | \$1,000 00 |
| Nov. 26, " " | 5,000 00 |
| Feb. 7, 1839, | 4,000 00* |
| | <hr/> \$10,000 00 |

*Deduct amount received of him and endorsed on the back of the bond, for this advance,

4,170 00

Balance due the state,

\$5,830 00

| | |
|-----------------------|------------------|
| To Alexander Clemons, | |
| Sept. 22, 1838, | \$1,000 00 |
| Oct. 24, " | 3,000 00 |
| Nov. 30, " | 1,000 00 |
| | <hr/> \$5,000 00 |

Rix Robinson, commissioner, has advanced to the contractors on the Sault de Ste Marie canal, by authority of a joint resolution of the legislature, approved April 19, 1839, for which he has taken a bond, approved of by the board, the sum of \$5,000 00.

The above advances are all that have been made by authority of the present or former board, and all of which have been made by authority of the power vested in the board, by the acts of the legislature above referred to.

It will be seen by the report of L. S. Humphrey, commissioner, which has been laid before the honorable the legislature, on the 53d page of the annual report of the board, that he had at that time advanced to contractors, about the sum of six thousand dollars, which he states to have been made at his own risk, and on his own responsibility.

In the absence of the commissioner, on the central railroad, (W. R. Thompson,) the board are unable to ascertain, if advances have been made by him, but if such have been made, they must have been upon his own responsibility, as no authority has been granted to him by the board for that purpose.

All which is respectfully submitted.

RIX ROBINSON,
President.

[No. 34.]

Communication from the Auditor General relative to his office, transmitted by the Executive, as per his special message of 5th February, 1840.

AUDITOR GENERAL'S OFFICE, }
Detroit, January 29, 1840. }

His Excellency WILLIAM WOODBRIDGE, •
Governor State of Michigan:

SIR—Permit me to call your attention to a few points in reference to our laws relating to this department, and to request such action in the matter as you may deem expedient. The revised statutes (page 90, section 21,) makes it the duty of the auditor general to give to any person requiring the same, "a certificate of the amount of any tax, interest and charges due

on any tract or parcel of land. By the law for the better regulation of the office of county treasurer, (laws of 1836, page 46,) it was provided, that every piece or parcel of land returned, &c., should be subject to the charge of twenty-five cents. This law having been repealed by the revised statutes, (page 696,) there does not seem to be any law authorizing any charge to be made, unless the clause above recited (page 90, section 21,) gives such authority.

It has been the practice in the office, to make the charge of twenty-five cents upon every entry, and by referring to the auditor general's report of the present year, you will find the aggregate amount of the charges received up to the date of the report to be one thousand four hundred fifty dollars and eighty-two cents. This I should presume, would more than meet the increased expenses of the office for the period of eight months, during which the fund has been accumulating; but as the expenses, after the returns of one or two more years shall have been made, will be much increased, the charge may not in the end be found to be excessive. I have no doubt of the propriety of some charge, as the state can by the means acquire a fund adequate to meet the increased expenses of the office. I, however, doubt the *legality* of the charge under our present laws.

I do not find any law, authorizing the employment of clerks for this or the treasury department. If there is any in our statutes, it has escaped my notice. Two are required at present in this office and it may become necessary, when the returns of delinquent taxes for the current year shall have been made, to employ others.

I would also, call your attention to the fact that the books and papers of this office are much exposed to destruction by fire. The consequences of such a calamity, I need not attempt to describe; an expenditure sufficient to place them beyond the reach of such an event should, in my judgment, be authorized.

It has been stated to me, that this office is required by law to be kept in the capitol, I have not, in any examination I have been able to make, discovered any such provision. If it exists, the reasons which have been assigned for the removal from that place, are worthy of consideration; they are, that the rooms in the basement were found to be damp, and consequently unhealthy, and that the location was much complained of by the public, in consequence of the distance from the usual place of business.

I have personally no wish to gratify, but will transfer the office to the capitol, if rooms convenient can be furnished for the transaction of the business of the department.

I am, respectfully,

Your obedient servant,

E. P. HASTINGS, *Aud. Gen.*

[No. 35.]

Report of the Committee on Roads and Bridges, relative to highway taxes.

The committee on roads and bridges, to whom was referred a resolution introduced by the honorable Mr. Etheridge, on the 13th January, and adopted, requesting said committee to inquire into the "expediency of so amending the law regulating highway taxes, as to secure to each surveyed township, the sole benefit of the highway taxes assessed in such township," requiring that the amount, when collected in townships where there are no highways laid out, be reserved by the county treasurer, or otherwise, until such public highways shall have been laid out, when the same shall have been expended in the repair of the roads in the township where the same was assessed.

And, also, a resolution introduced by the hon. T. J. Drake, on the 16th January, inquiring "whether it be, or be not expedient to reduce the amount, fixed for the commutation of a day's labor upon the highways; also, the expediency of providing by law for the payment of such highway taxes as have been assessed and returned unpaid, in labor upon the roads, in the districts where the same were assessed; and, also, the expediency of so amending the laws as will allow highway taxes, in certain cases, to be worked out in the winter," respectfully report, in relation to the first above resolution, that in the examination of the revised statutes, regulating the assessment, your committee had well nigh come to the conclusion, that highway taxes assessed and collected in one township, could not be expended upon roads in a different township. The commissioners of highways are township officers; they cannot legally exercise official acts effecting the rights and interests of inhabitants residing beyond the limits of their official authority. The assessment of highway taxes is confined exclusively to these officers, and in the exercise of this duty, the law specially directs that the exercise of it shall be confined within the limits of their townships. These, also, are the only officers authorized by law, to lay out and open new roads; and to district both the old and the new roads, and in the exercise of this duty, also, the law confines them within the lines of their township. The law regulating the conduct of the overseer of highways, has been equally particular and specific in fixing bounds within which they may act. The commissioners of highways are required to have the labor which has been assessed, worked out, or expended upon the districts within the township. They are required by the 19th section of part first, title six, and chapter third of the revised

statutes, to apply the non-resident taxes collected in their township by the collector and paid over to them, to the construction and improvement of the roads and bridges, in the districts for whose benefit the original labor was assessed. These several provisions of the statute, so definitely confining the acts of these officers within the limits of their own township, and so particularly directing the expenditures of the sum assessed, not only to the same township, but upon the identical road district in which the same was assessed and collected, induced in the minds of the committee the belief, that the evils complained of in the resolution, can very seldom, if ever, exist; but as the committee very cordially adopted the principle contained in the resolution, viz: that property taxed for highway labor, should share mainly, or wholly, in the benefits of its disbursements and application, and as there may cases arise, when some townships may be deprived, and unjustly, of these benefits; and believing that the passage of an act to prevent the occurrence of the evil complained of in the resolution, whether real or imaginary, will not injuriously effect the rights of any, the committee have directed their chairman to report a bill, which is herewith submitted. The committee have, also, duly considered the requirements contained in the second resolution referred to them. The committee are of the opinion that the present prices fixed for commutation for a day's labor upon the highways, viz: one dollar to one dollar twenty-five cents, are not only exorbitant but oppressive to the people, and in the aggregate produces a sum far exceeding the object for which it is levied. The committee have therefore added a section to the bill above alluded to, reducing the sum to sixty-two and a half cents, for the commutation price of a day's labor upon the highways.

The second division of the second resolution, requiring that highway taxes should be expended upon roads in districts, where the same was assessed and collected, is provided for in one of the sections of the bill reported herewith.

The committee are of the opinion that an amendment of the law is not necessary, in order that highway taxes may be worked out in the winter, for the reason that one-third of our highway assessments are to be worked out after the first day of July in each year, in the discretion of the overseers of highways.

All which is respectfully submitted.

SEBA MURPHY,
Chairman.

[No. 36.]

Certain communications in relation to the Michigan State Bank, transmitted by the Executive. [See proceedings of February 15, 1840.]

(Copy.)

MICHIGAN STATE BANK, }
Detroit, February 8, 1840. }

E. P. HASTINGS, *Esq.*, Auditor General:

DEAR SIR—A resolution authorizing the auditor general, the state treasurer and the secretary of state to settle with this institution, received the assent of his excellency the governor, I think, on Monday last.

I have not received any official copy of the same, but from information obtained through the public prints, and members of the legislature, am advised that no provision is made by said resolution for the protection of our charter, in case of settlement, leaving us exposed to immediate prosecution at the suit of the attorney general or any individual who may deem himself aggrieved.

Under more favorable circumstances, our franchise might be valuable, and the state may derive a corresponding advantage in settlement, by permitting us to retain it, upon certain conditions, while our board of directors can perceive no object or propriety in liquidating our debt to the commonwealth, to the prejudice of our other creditors; common justice would require that we should surrender our affairs to a receiver, for the benefit of all, unless this end can be obtained.

It appears by the journal of the senate, that the 22d instant is proposed as the day for adjournment of the legislature. I have therefore taken the liberty to communicate to you our views on this subject thus prematurely, that it may be laid before them previous to that date.

I also presume to suggest the form of a resolution which would be satisfactory to us and safe to the public.

And have the honor to remain,

Your obedient servant,

(Signed,)

GEO. F. PORTER, *President,*

For the board of Directors.

Resolved, &c., "That the president, directors and company of the Michigan state bank, on settlement with the commissioners appointed to that duty, and resuming specie payment within one year from the date of said settlement, shall not be liable to any prosecution or forfeiture of their franchise in consequence of any act or thing by them done or suffered, previous to such resumption."

(Copy.)

*Detroit, February 13, 1840.**To His Excellency WILLIAM WOODBRIDGE,*

SIR—The enclosed communication, from Geo. F. Porter, president of the Michigan state bank, we have the honor to refer to you, that you may give it the proper direction. We are of opinion that better terms may be secured to the state, by granting the favor required, modified, however, so as not to extend the time for resumption beyond the 1st April, 1840.

We are, respectfully, sir,

Your obedient servants,

(Signed,)

E. P. HASTINGS,

Auditor General.

RANDOLPH MANNING,

Secretary of State.

ROBERT STUART,

State Treasurer.

[No. 37.]

Report of the Committee on Incorporations, on the resolution relating to the Michigan Insurance Company issuing notes as money.

The committee on incorporations to whom was referred a resolution instructing said committee "to inquire by what authority in their charter, or otherwise, the Michigan insurance company, issue bills or notes, certifying a deposit of current bank notes, evidently intended as a circulating medium, and that they be also instructed to report what legislative action, if any, would in their opinion be expedient," beg leave to report:

That the act of incorporation under which the Michigan insurance company are now transacting business, was passed on the 7th March, 1834. In section 10, of the act referred to, is the only restrictive power referred to above, and that provides "that the said corporation shall not, directly or indirectly deal or trade in buying or selling any goods, wares, merchandize or commodities whatsoever, or in buying or selling any stock, unless by purchasing for the purpose of investing its capital stock, or any part or parts thereof, in the same or greater security."

It will not be supposed that the legislature have the power to prevent any person or number of persons from receiving any sum or sums of money, and giving such certificates as he or

they shall deem expedient. This is a right which the legislature cannot impair, and any law made in contravention of it would be a palpable violation of such right, and one which every individual would at once resist.

The leaving in deposit, or loaning, is the basis of all credit, and the legislature might as well enact, that men should have no intercourse with each other, as to say that one man should not trust another.

The committee would further state, that the 5th section of the act relating to unauthorized banking, declares, "that no person, association, or body corporate, except such bodies corporate, as are expressly authorized by law, shall issue evidences of debt, to be loaned or put in circulation as money; nor shall they issue any bills or promissory notes or other evidences of debt as private bankers, for the purpose of loaning them or putting them in circulation as money, unless specially authorized thereto, by law. And every person, and every corporation, and every member of such corporation, who shall violate either of the provisions of this act, or who shall directly or indirectly assent to such violation, shall forfeit one thousand dollars." Therefore, the committee conclude that no legislative action is necessary in the premises.

All which is respectfully submitted.

(Signed,)

S. V. R. TROWBRIDGE,

Chairman.

[No. 38.]

Report of the Committee on State Affairs, on bill to provide for re-locating the county seat of Macomb county.

The committee on state affairs, to whom was referred the bill to provide for the re-location of the county seat of Macomb county, together with sundry petitions of the inhabitants of said county, praying for the passage of a law, allowing the inhabitants thereof, to re-locate said county seat by their votes, having had the subject under consideration, respectfully beg leave to report:

That whereas, upon the presentation of said petitions, doubts were suggested as to the propriety of receiving the same, unless proof should be first adduced, showing that the notice had been given in pursuance of the fourth section, of chapter second, of title first, of part first of the revised statutes, which is in these words, to wit; "notice of any petition or memori-

al, to be presented as aforesaid, which effects the rights or interest of any township or county, shall be given by serving the clerk of such township or county, with a true copy thereof, at least thirty days before the commencement of the session of the legislature, to which such petition or memorial is to be presented." Your committee deem it a portion of their duty to examine the force and effect of such a provision upon the case before us, and they have been forced to the conclusion, that the prayer of the petitioners does not require from this legislature, any such action effecting the rights or interests of Macomb county, in such a manner as to come within the provision of this section of the statute, heretofore mentioned. If the petitioners had asked, or the bill provided for the vacating of the present county seat of Macomb county, and its absolute re-location at some other particular point, to be specified by the legislature, then the thirty days' notice should have been given beyond a doubt. But the bill provides only for giving to the voters of that county, the privilege of placing the same where they please, by their votes at a future day, and upon a long and sufficient notice, so that the only end of the law requiring thirty days' notice, would be answered, for it was only meant to provide against any action that would seriously effect the interests of a county, through ignorance and inadvertency. But even admitting, that the present is one of those cases within the purview of the section above noticed, still your committee are of the opinion that it is perfectly competent for the legislature, by the passage of the bill, to repeal so much of that law, as might reach this case, and that justice requires that it should be done, under the circumstances. Your committee find upon inquiry, that the court house and jail of said county, was destroyed by fire, within a very few days before the commencement of the session of the legislature, and as no action would have been deemed necessary, but for the unfortunate accident above alluded to, there was not time to give the notice. But more than nine hundred electors of that county, (at no time giving more than fourteen hundred votes,) have asked at our hands the privilege of designating the point, at which the new buildings required for county purposes, shall be erected. In consideration of the fact, that such action on our part is demanded, by more than three-fourths of the taxable inhabitants of said county, and who will be called upon to pay more than two-thirds of the expense that must be gone into, for the erection of a court house and jail, at some point or other; your committee earnestly recommend the passage of said bill, which they herewith return with sundry amendments.

WM. GREENLY, *Chairman.*

[No. 39.]

Report of the Committee on Finance, to whom was referred the petition of the president, directors and company, of the Bank of St. Clair.

The committee on finance to whom was referred the petition of the president, directors and company of the bank of St. Clair, report:

That the petitioners complain of onerous and unjust taxation, contrary to what they believe to have been the intention of the legislature, which granted their charter. That at the time their charter was granted, *there was no law*, in this state, imposing any tax upon banking capital; that by the 22d section of their charter, *a tax of half of one per cent*, was imposed upon the full amount of their capital stock paid in, which said tax the petitioners assert, and believe, is all the tax that was intended by the legislature, to be imposed upon them in their corporate capacity.

The petitioners also further urge, that by the revised statutes, the stock of individual stockholders is liable to assessment and taxation in common with all other personal property. They, therefore, ask the passage of a law exempting them from all and any further taxation.

Your committee are of opinion that the subject involves an important legal, if not constitutional question, and recommend the reference of this subject to the committee on the judiciary, and ask to be discharged from the further consideration of the subject.

All of which is respectfully submitted.

J. RICE, *Chairman*,

[No. 40.]

Report of the Select Committee to whom was referred the petition of John Drew and others, relative "to the school under the care of the Pastor of Trinity Church."

The committee to whom was referred the petition of a large number of the citizens of Detroit, praying legislative interposition and assistance, to sustain a common school established by the Irish adopted citizens, under the superintendence of the pastor of Trinity church, having had the same under consideration, beg leave to report:

That by reference to the revised statutes of 1838, they find that the laws regulating the organization of common schools, provide that *all the inhabitants* of each and every school district organized by the inspectors of common schools under the law, are subject to a specific tax, for the purpose of raising money to purchase a site, and to build, hire or purchase a school house. They are also subjected to such a tax, from time to time, as may be required to keep the school house in repair, and provide for the necessary appendages thereof, including libraries, &c. By section 45, page 248, it will be seen that the several inhabitants are liable further, to pay an *annual tax*, assessed by the county commissioners, amounting in the aggregate to a sum equal to the amount received by each school district, from the general school fund, which is assessed, levied and collected in the same manner as other county and township taxes. While your committee cannot but acknowledge that the plan for the organization, support and management of common schools, contained in the several acts referred to, and the interest and care therein exhibited for the dissemination of knowledge and education among the rising generation of our infant state, is based upon principles of liberality highly creditable to its character, they are forced to the conclusion, that cases may arise when that plan would not only be defective in its organization, but absolutely *unjust* in its operations. Without, however, attempting to examine the system in all its details, when carried into practical operation and effect, your committee will very briefly explain their own views upon the subject, and point out, by the facts contained in the petition, the evil complained of and the remedy desired. While your committee would deeply lament that sectarian prejudices should ever, for a moment, be encouraged among any class of our fellow citizens, whether native or adopted, so far as to prevent them from participating in any general plan fixed upon for the education of youth, they nevertheless cannot forget that it is one of the inalienable rights and privileges of every American, to worship the Creator in such manner as he shall deem meet, and to educate his children under such influences as he may deem most conducive to their temporal and eternal welfare. Nor can your committee, for a moment deny, that in every system of education, however general it may be, there must, of necessity, be many things calculated to *bias the mind, enlist the prejudices and warp the feelings* upon the subject of religion. It is natural, nay, it is absolutely certain, that the teacher must ever transmit to the pupil more or less of his own peculiar notions upon that subject, which constitutes no inconsiderable proportion of every branch of education. Hence it is, that the University of Michigan, an institution whose existence

cannot fail to give character to our state throughout the civilized world, liberal as it is in its organization, and rich in its endowments, failed even in its incipient stages, to secure the confidence and enlist the interest of all classes of our fellow citizens, and charters for several private colleges, asked for by different sects in religion, have been, after years of eloquent and animated debates by successive legislatures, granted to the applicants upon the premises above laid down. The application of the petitioners in this case, is a parallel one, in many respects, with other claims to our aid and interposition of a much stronger character. The petitioners are compelled, under the general law regulating common schools in this city, to pay each one his proportion of all the expenses of *organizing, maintaining and supporting* the common school in the district where he may reside. Does he derive from that school *his proportion* of the benefits and privileges arising from its existence and continuance, for which he is annually subjected to a tax? The petition declares that he does not. But it will be asserted that it is at his option; that he rejects the privileges that are offered under the general plan; that his children, with those of his neighbors, are amply provided for by the means afforded, and they are rejected by no one except by the dictate of his own peculiar prejudices.

Your committee cannot, and do not deem this an answer to the proposition stated. They know and feel, that upon the subject of the education of children, our institutions, our liberal sentiments, our past and present history, forbid for a moment the thought of dictation and control. If the petitioners ~~desire~~ desire that those who are to come after them, should have the benefit of pastoral instruction, from persons educated with the same views and feelings as themselves, it is their right, nay, their sacred *duty*, to seek such instruction, and it is our privilege to see that the taxes paid by them for education, or their equivalent, should be appropriated to their own use, and subject to their own control. By denying them these privileges, you subject them to a *double* tax, the first of which is expended upon schools, from which, either from prejudices or religious principles, no matter which, they cannot derive any benefit; and the last is produced by supporting such institutions as may best accord with their early education, and be under the direct charge of those entertaining the same religious views with themselves. Your committee cannot assent to such a course, inasmuch as they believe it to be the duty of the legislature, to further by every means in their power, the education and well being of the rising generation, and that special care should be taken, that no odious distinctions of a sectarian or political character should be permitted to exist, and that the sons of the

native and naturalized citizen, of the catholic and protestant, should be placed in every respect upon an equal footing. So far from discouraging, they feel it their duty to encourage, here and elsewhere, the organization of schools among our adopted fellow citizens; and they believe that the stability of our institutions can in no other manner be more certainly increased, than by diffusing learning and knowledge over the whole mass. They further believe, that sound policy demands that every inducement to foreign immigration should be held out to the oppressed of other nations, and that the mass of our people should be thoroughly enlightened and qualified for the important duties and obligations of American citizens, by the influence of education, and that no barrier to the diffusion of knowledge should ever be erected.

Your committee cannot but feel, that the evil complained of in the prayer of your petitioners, is strikingly analagous to the condition in which they were placed in their own oppressed land; where the hardy sons of the Emerald isle are compelled, even by the bayonet, to pay tithes for the support of a church, whose doors they never enter—to contribute incense for an altar at whose shrine conscience forbids them to kneel. Shall the legislature answer their prayer, by telling them that the schools which they support by taxes, are open to them and their children? They answer, in the language of their petition, that they desire their children should be kept under the influence of their own religious principles, and that their education for this world and the world to come, should be acquired under the same teachers and pastors. Can we ask them to surrender these prejudices? History tells us—the history of our own country, from the landing of the pilgrim fathers down to the present day—tells us upon its *every page*, in *every line*, that man will defy any danger, brave every difficulty, perform any labor, rather than yield his freedom of religious opinion; the whole spirit of our government, and enlightened public opinion, forbids that we should ask it.

Believing, therefore, that the school referred to in the petition, should be encouraged and sustained; that the taxes the petitioners pay for the support of schools should be expended for the benefit of their children, under their *own control*; and believing, also, that the petitioners are prevented by the most conscientious and pure motives, from embracing and enjoying the advantages offered in the schools established in this city.

Your committee recommend that the prayer of the petitioners be granted, and that an act be passed, providing that from the common school fund distributed in this city, there shall be paid towards the support of the school referred to, an annual sum, equal to the amount that the petitioners would be enti-

tled to, as component parts of the several districts in which they reside.

All of which is respectfully submitted.

D. G. JONES, *Chairman.*

[No. 41.]

Reports of the Majority and Minority of the Bank investigating Committee, together with the minutes of the committee.

The joint committee appointed by the senate and house of representatives, to investigate the affairs of the bank of Michigan and the Farmers' and Mechanics' bank of Michigan, and to whom was referred that portion of the governor's message relating to the currency, report:

That the first and most important duty that the committee owed to the legislature, to the community and the banks themselves, was, to satisfy their own minds, by rigid and minute investigation, in which no mistake or fraud could possibly exist, whether the banks were solvent or insolvent; whether *their means* of paying equalled, or were *greater* or *less* than their debts due to the public. It is evident that this was the primary object for which the legislature, as the guardians of the people at large, has demanded of these institutions that they should throw open their doors and vaults for public inspection, and ~~their business~~, ordinarily considered of a strictly confidential nature, should be exhibited to the public eye. The demand from the people, that an investigation of the kind above referred to, should take place, has been greatly increased by the fact that these banks, in common with those of all the western states, have, within the last three months, a second time suspended specie payments.

First. Is there, then, (the question is asked by the legislature and the people,) evidence beyond all reasonable doubt before the committee, that the banks are perfectly and entirely solvent? that they have means or assets, undoubtedly, abundant to pay their liabilities to the public? Before giving any opinion upon this point, the committee will very briefly state, in a condensed form, the evidence elicited on the examination, bearing upon this question, and they do it with the fullest confidence that the legislature and the people will be compelled, by the clearness and strength of the testimony adduced, to give, as ~~their answer~~, a cheerful affirmative.

The amount that the bank of Michigan owed to the public on the 1st January, 1840, the period which the committee selected as the point to which the evidence should be confined, was \$606,404 31, exclusive of the original sum paid in as stock, which cannot be considered as a debt against the bank, *until all its other debts are paid*. It is here proper to remark, that a considerable proportion of the indebtedness is not due, but is payable at stated periods, prospectively—such as the debt due to the United States and to the university of Michigan, making about \$220,000, (and some \$40,000 considered as lost circulation,) a part of which, as appears by the answers of the officers of the bank, has been paid since the first of January, 1840.

To pay this sum due the public, the bank exhibits means or assets amounting to \$1,261,660 88, or a *sum greater than its liabilities by \$655,256 57*. The mere statement of the two items would seem to preclude any doubt as to the ability of the bank to pay its debts; but, to enable the committee fully to understand the whole matter, to prevent all cavil and doubt, they have minutely examined the several items composing this aggregate amount of *means*, and the result given is furnished by the answers to the several interrogatories herewith submitted. It is stated by the officers of the bank, in the fullest manner, that, in their opinion, the debt secured by real and personal security is generally good, and they have given as a reason for that opinion, aside from their general interest, to see that its funds, when loaned out, were well secured, that a majority of the stockholders, at a meeting held during the last year, after a very careful examination of every debt due to the bank, came to the conclusion that the amount of profits on hand would fully *pay every dollar of bad debts*, while many of the debts due at that time, and considered doubtful, have since been amply secured. Of the other items put down in the statement of the bank, and answers of its officers, the committee can only state, that, as far as they can discover, it is all available except that portion of debts due from other banks, which is referred to, and fully stated, in the answers given, and they are free to say, that the opinion expressed by the stockholders that the profits on hand would pay all the bad debts and losses of the bank, seems to have been based upon a full knowledge of all the facts, and is well sustained by the examination.

If, then, the bank owes but \$606,404 31, and has twice that sum in securities, coin, debts and bank notes, to pay it, the committee cannot but believe that it is perfectly and entirely solvent. Should a merchant, engaged in business, be called upon by a creditor for an exhibit of his affairs, and show that he had in cash, merchandize, real estate and debts due him, twenty thousand dollars, while he owed but half that amount,

the world would scarcely credit the man who should declare that he was insolvent. But the committee have deemed it their duty, inasmuch as this bank was employed by the auditor general of this state as its fiscal agent, during the past year, to inquire,

Secondly. Whether the bank has been during that period a *borrower* of, or *lender* to the state; whether it has used its position to further its selfish interests by the accumulation of large profits, made by the exchange of the good funds of the state, for money of less value, and whether it has been the gainer by its labor, risk and care bestowed upon the business of the state.

The evidence on this second point is extremely clear and explicit, and it establishes (as a moment's glance at the answers of the several officers of the bank, will satisfy any candid mind,) the following facts:

1. That the bank has, for the last ten months, instead of being a *borrower of the state*, been in advance, or a lender to the state, in the average sum of \$181,035 72.

2. That the whole amount of interest paid to the bank for drafts on time discounted for the state, after deducting what the bank paid elsewhere as discount, to enable it to meet promptly the wants of the state, is the moderate sum of \$425 08.

3. That the amount of New York funds procured by the purchase of the auditor general's drafts on account of the five million loan, for which it has not paid any premium, after deducting funds paid to the state in New York without premium, and eastern bank notes paid out at par to contractors, or in *redemption* of Michigan bank notes previously paid to contractors, was only \$108,915, on which the bank made the difference of exchange, being two per cent, or \$2,198 30, which added to the discounts received, make the gross amount of profits by the bank for the business done for the state, of \$2,603 22; in consideration of which, the bank incurred the great risk of the non-payment of the state drafts, and has actually disbursed over half a million dollars.

4. That the bank, up to the period of the suspension, paid out to the state, both on internal improvement and general fund, specie, or the notes of specie paying banks, or drafts on New York, amounting on both sums to about half a million of dollars. The committee further deem it their duty to state, that during the period referred to, as appears by the answers of the bank, that the advances made to the state were obtained by the personal and written application of the commissioners at periods when the funds of the state were entirely exhausted; that but for these timely advances the public works must have been suspended at a great loss to the state, and the laborers engaged on those works discharged, without the means on

the part of the contractors and commissioners to pay them the amount then due. From these facts, and many others disclosed, the committee cannot but conclude that the bank, in its intercourse and business with the state, has conducted itself with perfect justness and fairness in all its operations.

But the committee did not feel that in the present excited state of public feeling in reference to our banking institutions, that the whole scope of their duty was performed, without turning their attention to another subject intimately connected with the banks of this state, as government deposite banks, and they, therefore, deemed it their privilege, nay, their special duty, to ascertain how far the embarrassments of the banks were the result of its connection with the general government; what amount of debt the bank owed the government at the suspension of specie payments in 1837; what amount was still due, and how far that debt was safe and secure. In referring to the evidence contained in the answers to the interrogatories upon this branch of the subject, the committee do not intend to enter into any disquisition upon the financial policy of the general government; but the investigation necessarily led to that period in the history of the bank when it was a government agent; and in tracing the causes of its present position, it was impossible to pass over that period when a sudden change of the policy of government effected instantaneously an entire change in the affairs of the bank. By reference to the very full answer of the president of the bank to special interrogatory of Mr. Turner, it will be seen that during the month of August, 1836, the bank held on deposit for the general government, \$1,812,352, at which time the specie circular was issued, and soon after, by an act of congress, the surplus revenue was called for, from the deposite banks, from which measures combined, the bank without a moment's warning was called upon to pay this large sum of money, which it had *been previously instructed* to loan to the people. During the succeeding eight months, from August 1836, to May 1837, (the time of the suspension of specie payments) the bank paid the government *over a million of dollars*, and reduced its other liabilities during the same period over a million of dollars more. At the time of the suspension, the bank was indebted to the general government in the sum of \$755,000, which from the evidence set forth in the answers is now reduced to about \$80,000, with the interest, for which the government holds a bond in securities, approved by the district attorney of the United States in the sum of \$500,000 as collateral security for the sum now due, so that the probability of a loss to the general government, is altogether out of the question. If the bank is unable to pay this amount on demand, need it be asked why it cannot do so? It is simply because the money was loaned un-

der positive directions from the general government, to the citizens of Michigan, and such has been the condition of things for the last three years, that to enforce from our people the collection of this debt, would be to spread ruin and desolation over our young and once prosperous state. Nor can this be considered strange, since, by the evidence before the committee, it appears that out of the debts due to the bank the sum of \$832,909 is due from the citizens of this state, while the sum due from persons residing out of the state is only \$123,900, and no argument, it is apprehended, is necessary to satisfy the legislature or the people, that although every dollar of this debt may be perfectly good, still that the payment of much of it must be extended until the circumstances of the state are changed. In pursuing this investigation the attention of the committee has not been confined to the three foregoing considerations, but they have felt bound, as a matter of justice to the people, who are justly jealous of all the operations of moneyed corporations, and whose distrust and anxiety has been keenly aroused by their past sufferings, to proceed a step further and to ascertain by the most searching interrogatories, the general management and condition of the bank, in many respects that are generally overlooked in investigations of this character, but as to which there is and has been a very considerable degree of anxiety among the people of this state. The answers to these interrogatories go clearly to establish the following facts, connected with the history of this bank for the last three years, and will increase the confidence of the community in this institution, so long identified with the welfare and prosperity of Michigan:

1st. That the bank, since 1836, has reduced its liabilities to the public \$3,100,000.

2d. That a majority of the present board of directors have been in the board from fifteen to twenty years, and have not been habitual borrowers from the bank, and that a large majority of the stockholders have never owed the bank a single dollar, but, on the contrary, that during the last year, the stockholders residing out of this state have bought from the bank \$200,000 of its debts secured by good mortgages on time, and have absolutely paid that sum to the bank.

3d. That the amount now due from directors is \$7,050, secured by endorsed notes, and the pledge of \$14,000 of stock; that the amount due from stockholders, other than the directors, is \$41,969, which is generally secured by good endorsed notes, real estate, and by a lien upon their stock, amounting to \$71,400.

4th. That no preference, as to the terms or amounts loaned, has ever been given to the paper of the directors or stockholders, over other paper equally good.

5th. That the entire amount of coin reported by the bank, is bona fide its property, and that the bank has never borrowed or bought coin for any other purpose than its legitimate business transactions.

6th. That the bank is not now, and never has been, connected with any other bank, broker or person, for the purpose of buying up its bills at a discount, except in the case stated in New York, where the bank deposited funds to redeem its notes at two per cent, and that the bank has never sold exchange at a higher rate than two per cent, for its own bills.

7th. That the bank has never hypothecated any real estate or mortgages to any person or corporation whatever.

8th. That the bank has declared no dividend on its business since the first of January, 1837, but has reserved its profits, amounting to \$115,000, to provide for all contingencies that may happen by losses, or bad debts.

9th. That the amount of post notes now outstanding is only about \$16,000, every dollar of which has been issued to the commissioners and contractors on the public works, in exchange for estimates and warrants, and that in no single instance have they ever been issued except upon the urgent solicitations of the applicant, and at times when the state had no funds in the treasury belonging to the internal improvement fund.

10th. That the bank has never refused to permit an examination of its affairs by the late bank commissioners or other officers, having first simply stated that it was advised by counsel, that the bank commissioners had no legal right to make such examination, permission was given to make the examination, and all information required was offered to be furnished.

11th. That the bank has never been sued, except in the cases stated in the answer of the president, and the full explanation of the cause and feelings that have led to those prosecutions there given, justify the belief that it was not for the purpose of collecting its bills, but to harrass the bank with costs, that these suits were commenced.

The result of the examination of the Farmers' and Mechanics' bank, shows that its total assets amount to \$755,819 43, of which the sum of \$601,976 70, is due from the people, under the heads of real and personal securities, and the further sum of \$25,518 91, is in real estate owned and possessed by the bank; that its available means, consisting of sums due from banks, deducting those which have suspended. The bank notes on hand and the specie, amount to \$26,996 28, and that its immediate liabilities to the public, under the respective heads of circulation, deposits and drafts on time, amount to the

aggregate sum of \$52,311 75, leaving a balance in favor of the bank \$599,538 44.

Of the entire discounted debt, it seems that \$34,990 is due from directors and stockholders, of which \$16,600 is due from directors alone, and that the owners of \$351,900 of the stock of the bank, are not indebted to the bank a single dollar. The capital which is actually paid in, amounting to \$400,000, appears to have been contributed in good faith by the several stockholders, as an investment of money at a period more auspicious than the present, and promising greater safety to the principal and an adequate return for its use. The great reduction of the liabilities of the bank, from the first of July, 1836, to the present time, as exhibited in the answers to the various interrogatories propounded by the committee, manifests a commendable zeal in fulfilling its obligations, during a period of unparalleled distress throughout the United States; and the lenity extended to the borrowers, any thing rather than a disposition to oppress a community already groaning under the burdens of a disordered currency and a large individual indebtedness. The precise character of the personal securities cannot, from the nature of things, be ascertained, but the facts now established, that they originated in the transactions of a legitimate banking business, that they were received for loans in money, and that the purposes were strictly of a character sanctioned by the rules which have ever governed similar institutions, furnish the surest guarantee of their strength, and, moreover, there does not appear to have been an adequate motive in the neglect of a matter involving the interest of the stockholders themselves, who may well be supposed to have entertained much solicitude for the safety of their capital, and the faithful and diligent performance of the various duties devolving upon the officers of the bank. The same rules which have ordinarily governed the bank directors, in taking security upon debts loaned to individuals having no interest in its affairs, seems to have been strictly observed in the few instances where the directors themselves have been borrowers. Suits are in progress upon paper, amounting to \$151,170 48, and \$60,125 20 of this amount are in judgment. This resort to coercive measures, for the recovery of the comparatively small amount coming under this head, is asserted to have been forced upon the directors by the continued neglect and refusal of the debtors to execute securities which warrant an extension of time. The schedule of real estate securities, is necessarily imperfect, from the fact that many of them are in the hands of attorneys for foreclosure, and in the offices for record, whilst others are yet incomplete although in progress of adjustment, still it clearly shows that a large amount of valuable improved real estate is mortgaged to the

bank. The debt due the United States is \$103,969 24, which, according to the evidence on that subject, is secured to the satisfaction of the general government.

The debt to foreign banks, by loans upon time, proves that the bank has been able to raise a considerable sum of money upon its own credit to meet its engagements, and the measure must be regarded as creditable to the institution. The item of deposits does not seem to be of an amount or character calculated to weigh heavily upon the community at large, being due principally to its own stockholders, and to correspondents in the neighboring states, the bank has evidently sought to reduce its business to the most circumscribed limits, to enable it with less difficulty and danger to meet the threatened crisis.

In the opinion of your committee, the late suspension of specie payments was caused by the increased demand for exchange to pay eastern creditors, by the utter inability of the debtors of the bank to meet their engagements, and by the exposed position of Detroit, as a point towards which all the circulation of the banks west would naturally flow with great rapidity for coin or exchange. That immediate resumption, unless accompanied by the *actual* resumption of the banks of Illinois, Indiana, Ohio and Pennsylvania, would be very difficult, and would result in driving from circulation almost every dollar of the notes of our own banks, to give place to those of other states, not controlled by our laws, or in any way amenable to our authorities, and by the immediate withdrawal of all or nearly all of the precious metals from this state.

In the performance of the duty required of them, by the reference of so much of the governor's message as relates to the currency of the state, your committee report, that almost the entire circulating medium of the country consist of the banks of this city, and their branches.

That this paper, though depreciated in value for the purpose of remittance to the east, in consequence of the inability of the banks to redeem their notes in drafts upon our eastern cities, is at a less rate of discount than the paper of the banks of Indiana or Illinois, and is of equal, if not greater value than that of the banks of Ohio. The confidence reposed in the solvency of these institutions, notwithstanding their suspension, has given full credit and currency to their paper, and with few, if any, exceptions, rendered it preferable to the bank notes of the adjoining states, for the purchase of produce, merchandize, &c. The great difficulty seems to be, the insufficiency in quantity to meet the wants and absolute necessities of the country.

Your committee need scarcely allude to the fact, that the state taxes, though payable in the notes of these institutions, could not be collected. The result of the investigation herewith communicated, cannot, in the opinion of your committee,

fail to strengthen the confidence hitherto reposed in the soundness of these banks, and the great prudence and fairness with which they have been conducted. In view of the general condition of the country, as relates to a currency, your committee can see no prospect of relief for Michigan, either in the operation of commercial causes, the action of the general government or any probable cause, beyond her own limits.

Though abounding in those products of the soil most essential to the existence of man, and with large surplus that, in an ordinary condition of the country, would do much to discharge our public and individual indebtedness, and relieve the embarrassments that are oppressing us and paralyzing our energies; that surplus, that main dependence of laudable industry, is rendered valueless to us for the want of means to purchase and transport it to market.

Our comparatively small surplus of wheat the last year, found purchasers from the east, amply provided with eastern bank notes, for the purchase of our entire stock. At present, money or its representative, is scarcely to be had in exchange for produce at any price, while in the eastern markets, flour is commanding a price that would afford a fair profit to the farmers of Michigan.

In this view of our case, overwhelmed with engagements contracted under a widely different state of things, but now wholly beyond our power to meet, with the surplus produce of our country useless for the purpose of canceling those engagements, if not perishing on our hands, and no prospect or hope of relief from abroad, your committee believe that it would be but a faithless discharge of duty to themselves or their country, to shrink from the responsibility which the occasion imposes upon them, or advise that our case is without a remedy. They will neither practice the one nor advise the other, but with due deference and respect to the opinions of those who may honestly differ with them, recommend such a course, as, in their judgment, is best calculated to promote the interests and prosperity of the people, by rendering the products of the country valuable, and available for the payment of debts and the general purposes of life.

Your committee would, therefore, respectfully recommend such a course towards the banks as will enable them to continue the same indulgence that they have heretofore exercised towards their debtors, and also to increase their circulation to an amount equal at least to the surplus products of the country; at the same time throwing around the measure such guards as will effectually prevent a depreciation of their paper, and render their money safe in the hands of the people.

All of which is respectfully submitted.

J. M. EDMUNDS, *Chairman.*

Minority Report.

The undersigned, a minority of the joint committee, appointed by the senate and house of representatives, "to whom was referred so much of the governor's message, as relates to the currency of this state, with instructions to investigate the causes of the recent suspension of specie payments by the bank of Michigan and the Farmers' and Mechanics' bank of Michigan, in the city of Detroit, and also to investigate the present condition and affairs of said banks."

Not having concurred with the majority in their report, and believing it due to himself and to the legislature, respectfully submits in the form of a report, the views and conclusions to which his mind has been brought by the investigation and patient consideration of the subject matter committed.

The resolution under which the committee acted, invested them with large powers, and seemed to exact from them the discharge of an onerous duty, in an extended investigation. The subject of "the currency," admitted without dissent, to be of vast importance to every class of the community, but more especially to that portion whose daily subsistence depends upon their daily labor; and the investigation into the condition and affairs of the two principal banks of the state, chiefly instrumental in giving circulation to "the currency," seemed imperiously to demand from the undersigned, the exercise of great care, patient labor, and determination to permit no sinister influence to misdirect his attention; and no personal consideration to deter him from such a searching examination, as far as his moderate acquaintance with banking would allow, into the condition of the banks referred to, and for which purpose the committee was clothed with power to send for persons and papers. While upon the one hand, he deemed himself obligated by every sense of duty to shrink from no labor and responsibility, that the community might be protected from the evils of irredeemable circulation and fraudulent banking, he felt himself impelled by an equal impulse, to avoid an unjust and unnecessary interference with the rights of these chartered institutions, or do aught to jeopard the interests of their stockholders. When the investigation was ordered by the joint resolution of both branches of the legislature, could he have been apprised of the intention to place his name on the committee, he would have endeavored to have effected a change, that some one more competent might have been selected. But having been announced as one of the committee, he could not, without incurring censure or prejudice, decline a duty, which seemed alike imposed by the wants and the apprehensions of the community and the circumstances in which the people of the state were

placed by the suspension of payment by the two principal banks of the commercial metropolis.

Such has been the course of events for the last few years, bearing upon the monetary concerns of the country, that a justifiable, yet feverish anxiety is manifest in the public mind, on the subject of bank power, bank influence, bank frauds, and bank ruptures; and so closely interwoven with commercial business, is that species of circulation, known as bank notes, that the manufacturer, the mechanic, the farmer and the laborer, demand that it should be based upon the solid foundation of the constitutional coin of the country. And when a banking institution, either from justifiable causes, or actual insolvency, is compelled to suspend the payment of its obligations, the duty becomes imperative upon the legislature to direct the necessary inquiry, in order to guard the state against the loss accruing from a spurious circulation.

However solicitous, therefore, the undersigned might have felt to escape the responsibility imposed, or to avoid unjust imputation, he could not, consistently with the views of duty, pursue any other course, than that of a strict, searching, and impartial investigation. It was a matter, which seemed to him to have been invested, by the circumstances of the times, with an importance and a character, which placed it beyond the party prejudices and predilections of the day. As such, he treated it, and as such, he could not be contented with a formal mode of inquiry, touching but slightly the causes of suspension, or the true and genuine condition of banking institutions, proposed to be entrusted measurably with the public treasure, and which gave an extensive bank circulation to the community.

The committee was directed by the resolution of their appointment, to the discharge of a three-fold duty : namely,

1. The consideration of so much of the governor's message as relates to the currency of the state.

2. An investigation into the causes of the recent suspension of specie payment by the bank of Michigan and the Farmers' and Mechanics' bank of the city of Detroit.

3. An investigation into the present condition and affairs of said banks.

The undersigned, while he approves of the views expressed in the message, in relation to the high appreciation in which "a sound and available currency" ought to be held, and the present lamentable depreciation of the paper promises, on which a too credulous people have too much and too often relied ; yet, feels himself reluctantly compelled to dissent from the causes to which the message ascribes the derangement of the currency, as also the remedy for its restoration. It is true, that "an adequate increase of the issues of the banks" can be "again in-

duced;" but the undersigned in that increase, beholds no other prospect, as long as the proposed issues are the irredeemable promises of chartered institutions, but the countenance of the evil so much deplored, and so generally felt in the community. As to "the immediate organization of a state bank," the undersigned firmly and confidently believes, that the condition of the money market, and the well founded want of confidence of the people in banks, forbids the reasonable expectation that such an institution can be established for years, if ever, in this state, nor does he entertain much confidence in the blessings promised by its creation. And for reasons arising from the testimony submitted to the committee, and conclusive to his mind, he cannot assent to the propriety, the safety, or the expediency of creating as it were, a fictitious currency, not based upon gold and silver, the universal representative of productive labor, but upon an exchange of irresponsible promises, between distant banking institutions, to procure which, a portion of the five million of dollars loaned to the state, is proposed to be placed at the disposal of banks, that either cannot or will not meet their just and honest engagements.

Inasmuch as a "sound and available currency, is the life-blood of commerce," and the "melancholy truth" so eloquently enforced in the message, of the absence, at this period, of so necessary a means to trade and business, is freely conceded, the undersigned cannot resist the conviction that the most practicable remedy is a speedy return to the simplicity, economy, integrity and industry which characterized the days of the revolution, and a stern avoidance of the follies and facinations of fictitious wealth. Labor is the foundation of the wealth of every country, and in seeking to give that wealth, a representative character abroad, in order to effect an exchange for the surplus wealth of other countries, the undersigned humbly conceives that a resort should not be had to the increase of promises disproportionate to the evident ability of fulfillment. In the formation of the federal government, by the union for certain general purposes of the sovereign states, power was conceded and power was withheld. That attribute of sovereignty which is exercised in prescribing the currency for the whole people, was, as it seems to the undersigned, prohibited to the states, and expressly granted to the general government. The "coining of money" and the regulating the value thereof, was a power expressly granted to congress, while the different states were expressly forbidden by the constitution "to coin money," emit bills of credit, or make any thing *but* "gold and silver coin a tender in payment of debts." Gold and silver coin, seems, therefore, to the undersigned, the constitutional currency of the country, to which alone the message could have alluded, and the general want of which among all classes of

the community, may be attributed to the combination of a multiplicity of causes, among which are prominent, the facilities afforded by bank power to folly and wickedness to inundate the country with unneeded foreign importations; and a paper medium of exchange, banishing the precious metals from the country, promoting wild and extravagant speculation; causing sudden and ruinous fluctuations in the value of properties; producing extensive failures, and increasing the quantity of a circulating medium above and beyond the wealth of the country, and consequently depreciating its value. Truly are "these within the recollection of us all." The constitutional currency "which has been recklessly thrown away," and for which the fluctuating promises of corporate institutions has been substituted, has, within the last few years, been prolific of extensive bankruptcies and ruinous distress to the laborer and mechanic, whose comfort and prosperity depends much upon a stable currency.

In the expression of these views, the undersigned does not wish to be understood as intimating the opinion, that the constitution of the United States prohibits the several states from the incorporation of banks of issue, deposit and circulation. By no means. Such power in the opinion of the undersigned, alone belongs to the states, as an attribute of sovereignty reserved and not granted. But such banks of state creation, cannot be empowered by state legislation with giving a currency to the country, and in authorizing them to issue their notes in circulation, they can only be legitimately considered as floating promises to pay their respective amounts on demand, in the currency of the constitution. Any other currency is unknown to the genius and spirit of our government; any other currency is unstable and unsafe; any other currency, while it may tend temporarily to elevate the ingenuous speculator in stocks or lands, most assuredly depresses the great mass of society.

It was but lately that this young and rising state, so admirably calculated by position, soil and natural avenues to the ocean, to rise rapidly to wealth and importance, witnessed the extraordinary and lamentable picture of being covered from lake to lake with innumerable banks, showering their worthless paper, like the locusts of ancient Egypt, over the whole land. Like the same curse, they flourished but a short time, devastating the land, but soon disappeared, leaving the imperishable traces of ruin behind them. And in this general havoc, who suffered most? What class held the greater part of the worthless promises of payment? Certainly not the keen-visioned speculator, who seems to scent peril at the greatest distance. No, no. The innocent, industrious and the honest, were the sufferers. The dwellings of the poor man, and not the habitations of the rich, were the spots to which this broken note tor-

nado directed its chief havoc, and expended its force. There were few poor men, but what found at the termination of the storm, that their wages saved for a day of affliction or of trial, were represented in worthless trash, purporting to be bank notes, and for a time fashionably styled and used as the chief currency of the state.

No circulation of bank paper, as long as the imports of the nation exceed to a great extent its exports, can be considered otherwise than fluctuating, and consequently cannot be safely depended upon as a sound currency. The creditor nation does not recognize the paper representation of specie issued by the debtor nation; and, where the balance of trade is largely against the latter, such paper medium must inevitably depreciate, and the loss consequent thereon, most generally falls upon the laboring and producing classes. Paper money inflates the prices of the necessaries of life, while the price of labor remains stationary, and at the standard fixed by the immutable laws of trade. It does not correctly represent the labor of the country, nor its products. It is not its wealth or its capital. It possesses no intrinsic value. It is not money. It is but a mere promise to pay money. It is a species of circulating debts, and "their issue and augmentation, augments nothing but the debts of the country." Analyzed by reason and experience, a bank note is nothing more than the evidence of corporate indebtedness, and every loan by a bank of its paper, only increases the circulation of the debt of the country, and adds not one copper to its substantial wealth. The undersigned, therefore, cannot resist the impression, that the uniform currency contemplated by the constitution, can and does consist only in the gold and silver coin designated in that instrument; and that the derangement in the currency of this state, to which allusion is made in the executive message, is only to be considered, in truth and in fact, as the lamentable indebtedness of the banking incorporations, and of those citizens, who, misled by the allurements of inflated prices, and the ignis fatuus of speculation, have steeped themselves too far in the temptations of credit, and been suddenly overtaken by the withdrawal of the precious metals, to meet the demands of a foreign market.

Lest the undersigned might render himself obnoxious to perversion and misrepresentation in the foregoing expression of his views, in relation to that portion of the executive message specially referred to the consideration of the committee, he deems it due to himself, explicitly to state, that he entertains no opinion hostile to those state corporations, the banking privileges of which are based upon the possession of ample specie means to justify the circulation of their corporate promises, and whose operations are legitimately confined to rendering proper facilities to the mercantile community. For such pur-

poses, he believes banks were originally instituted, but when they overleap these salutary bounds, and become the mere manufactories of paper money, giving life and being and encouragement to speculation, and undervaluing the pursuits of honest labor, he cannot otherwise consider them than as appropriate objects of unmitigated censure.

But secondly. The committee were instructed to investigate the causes of the recent suspension of specie payments by the bank of Michigan and Farmers' and Mechanics' bank of Michigan, in the city of Detroit.

In the discharge of this important duty, the committee has been laboriously engaged since the period of their appointment, and have availed themselves of the power with which they were clothed. So far as the undersigned has been enabled to trace this effect, so ruinous to the credit of the state, and so embarrassing to the business operations of its citizens, to a plain and palpable cause, he must leave it to the legislature to judge. From the mass of testimony elicited, much variety of opinion must exist. But he firmly believes, that a spirit of candor, unfettered by prejudice, cannot do otherwise than ascribe the suspension of payment by the institutions referred to, but to one cause alone, and that was, the evident inability at the period of suspension, to meet their outstanding obligations in the constitutional currency of the country. There may be periods in the commercial history of the country, such as a national war, or some unforeseen calamity, when perfectly sound banking institutions must resort to a temporary suspension of payment, as a means of *defence*—not for themselves, but for the community. But in a state of profound peace with all the world, and in the absence of those visitations of general calamity which sometimes may overtake the most provident and industrious, such an event by a moneyed corporation cannot be otherwise than an evidence of either mismanagement or insolvency.

Whether the suspension of the banks in Detroit, was resorted to as a means of justifiable defence or not, facts must speak, and should be heeded.

On the 28th day of October, 1839, an advertisement was published in the papers of the capital, signed by the cashier of the bank of Michigan and Farmers' and Mechanics' bank of Michigan, announcing that the boards of directors of these institutions, having taken into consideration the then existing conjuncture, deemed it expedient to suspend, temporarily, the redemption of their notes in coin. In this published notice, the cause, or the reasons impelling to the act, are not stated, beyond the statement of the fact, that they were impelled to such a course by the existence of "a conjuncture," the character or nature of which is omitted. What that "conjuncture" was,

must therefore be collected from the evidence given to the committee by the officers of the banks. This testimony discloses this state of facts as existing on the 28th of October, 1839:

| | |
|--------------------------------|-------------|
| The bank of Michigan had then, | |
| Specie on hand, | \$28,578 18 |
| U. S. treasury drafts, | 15,000 00 |
| | <hr/> |
| Making <i>specie funds</i> , | \$43,578 18 |
| | <hr/> |

And by the annual statement of the bank, made on the first of January, 1840, its circulation was

| | |
|------------------------------|--------------|
| | \$114,485 51 |
| Due depositors, | 192,806 51 |
| Drafts on time, | 49,509 69 |
| Post notes on time, | 17,524 00 |
| Due to banks, | 14,728 27 |
| Due to the state, | 26,456 67 |
| Due treasurer United States, | 175,444 25 |
| Due university of Michigan, | 5,549 92 |
| | <hr/> |

| | |
|---|---------------------|
| Making <i>immediate liabilities</i> amount to | <u>\$596,504 82</u> |
|---|---------------------|

In this statement, forty thousand dollars of the circulation is supposed, by the report from which the amount is quoted, to be lost by the lapse of time.

It may be proper to state, that there are immediate assets, not cognizable under the designation of specie funds, that may be offset against the sum total of immediate liabilities, such as the following:

| | |
|--|---------------------|
| Due by the United States, advances to Indian department, | \$24,109 12 |
| Due by state of Michigan, | 36,267 29 |
| Due by state of Michigan, drafts on N. Y., | 43,000 00 |
| Due from banks, | \$49,873 72 |
| Deducting sums due from banks which have failed, | 1,595 78 |
| | <hr/> |
| | 48,277 94 |
| | <hr/> |
| | <u>\$151,654 35</u> |

Making the sum of probable assets to liquidate immediate demands amount to \$151,654 35. From this review of the accounts of the bank of Michigan, it seems to the undersigned, that the excess of *immediate liabilities* over immediate means, or coin, to amount to the sum of \$552,926 64; but, admitting that the bank, *through its assets*, was possessed with power to negotiate into a harmless neutrality every other item of imme-

mediate demands, until the realization of all its outstanding debts, except its circulation, and minister quiet and tranquility to its depositors, yet, nevertheless the *item of circulation, consisting of its promises to pay on demand*, exceeded its coin on the day of suspension, by the sum of: \$30,907 33, exclusive of the \$40,000 supposed to have been lost.

To one unacquainted with the mystification in which the business of banking is too often enveloped, the statement herewith exhibited, affords a plain and simple answer to that part of the joint resolution of the legislature, instructing an inquiry into the cause of suspension by the bank of Michigan, on the 28th of October, 1839. The answer is furnished by the evidence, and the undersigned declines anticipating, what it appears to him, is so plainly inferable.

In regard to the Farmers' and Mechanics' bank of Michigan, the evidence exhibits the astounding fact, that, on the day of suspension already alluded to, its whole amount of coin in its vaults, amounted only to the sum of \$3,993 10. It is not ascertained what was its immediate liabilities on that day, but from the testimony of the cashier, the following statement was furnished as existing on the first of this instant.

Immediate Liabilities.

| | |
|------------------------------|---------------------|
| Due U. S. government, | \$103,969 24 |
| Due to banks on time, | \$84,791 59 |
| Due to banks on demand, | 3,492 85 |
| | <hr/> 88,284 44 |
| Drafts on time, | 10,000 00 |
| To individual depositors, | 20,811 75 |
| Notes in circulation, | 21,500 00 |
| | <hr/> |
| Total amount of liabilities, | <u>\$244,565 43</u> |

Available Means.

| | |
|---|--------------------|
| Due from other banks than its branch, | \$7,258 98 |
| Solvent bank notes other than its branch, | 4,982 25 |
| Specie, | 15,686 24 |
| | <hr/> |
| Total available means, | <u>\$27,927 47</u> |

Leaving a deficiency of means to the amount of \$216,637 96

The question here arises, how far these banks will be able to avail themselves, during the current year, of their debts receivable, so as to make the amounts applicable to the payment of the deficits, existing as the manifest difference between their immediate liabilities, and their immediate means. In the present embarrassed condition of the state, and the country gene-

rally, it may be reasonably questioned, whether the individual debtors to these banks, can pay their respective notes, and in default of which, how can it be possible for them to supply the necessary means? This question, however, trespasses upon the third branch of the inquiry entrusted to the committee, before entering on which, it may be proper to point to the circulation and deposits of the Farmers' and Mechanics' bank, and its coin on hand, on the 28th of October, as a sufficient solution of the cause of its suspension of payment.

And here, the undersigned may be indulged with the observation, that banking institutions, although yielding profits to stockholders alone, and so far a species of private property, yet, from the chartered privileges which they enjoy, and from the circumstance of their circulation being generally receivable by the community, as the price of produce and labor, they in fact become public institutions, and are every way appropriate subjects of strict legislative scrutiny and attention. The law of their creation, does not, however, place them above individual citizens, in regard to the judgment honestly to be pronounced upon their corporate acts. Nor should any unjust distinction be permitted to be drawn between them and individual citizens. When a merchant, by unforeseen losses, or unwise and improvident calculation, is rendered unable to meet his solemn engagements, he becomes by common understanding, insolvent, and loses all credit with his brethren, and even with banking institutions themselves. In vain he may point to the numerous outstanding obligations, far exceeding the amount of his indebtedness, and requiring only time to render available; in vain he may exhibit his books—his bonds—his accounts, it matters not. The responsibility of the hour is forfeited, and the customary but invariable law of trade denounces him bankrupt, and his property and his means must meet the hard sacrifice, consequent to broken mercantile engagements. But, a different rule is expected to prevail in regard to banks, which, although endowed with highly advantageous franchises, desire and even seem to demand from the legislature, the additional privilege of forfeiting at pleasure their chartered injunctions, and bidding defiance, as well to the just demands of the community, as to the vital principle of their chartered existence. And if this inequality, as between moneyed corporations and citizens, is to be sanctioned by indiscreet and unjust legislation; if, to the one, impunity is to be added to immunity; and to the other, nothing but the strict demands of the law; if, even the rules of literature are to be whimsically changed to gratify the trembling solicitude of corporate power, and *inability* to pay, be termed *suspension*, when applied to banks, and insolvency when applied to individuals, a perilous innovation is threatened to the free principles of

the constitution; and encouragement given to the imperceptible, but sure growth of a power, that may, in the process of time, prove too strong for the government itself.

But, *thirdly*, the joint resolution instructed the committee "to investigate the *present condition* and affairs," of the banks in Detroit.

Presuming that the resolution contemplates a two-fold consideration of the subject matter entrusted to the examination of the committee, and *intentionally* indicates a distinction as existing between the *CONDITION* of *banks* and the *AFFAIRS* of banks, the undersigned feels impelled to pursue the same path and observe the distinction thus wisely set forth in the instructions to the committee. The *CONDITION* of a corporation most obviously means its *legal position and corporate existence* in the fraternity of corporate bodies by which it is surrounded, or in fewer words, its legal condition contemplates its title to chartered power. The *affairs* of a bank more properly comprehends its *pecuniary* means and liabilities, impliedly admitting the validity of its corporate being. With this understanding and definition of the terms employed in the resolution, the undersigned, for the greater convenience of exhibiting his opinions, will reverse the order adopted, and consider,

First. Affairs of the banks, and

Second. Their condition.

The affairs of the Detroit banks.

The testimony which accompanies the report of the joint committee, so far as the statements of the officers of the banks, can be relied on as giving full and fair exhibits, (and the undersigned cannot impugn their fidelity, but, must bear testimony to their gentlemanly deportment,) will afford to the legislature a view of the affairs of these banks highly important and interesting to the public. The undersigned will not trespass unnecessarily on the time of the legislature, by a recapitulation of the accounts as given in evidence; they can be referred to, and read by all who feel an interest in the questions involved.

In the testimony of Mr. Sanger, the cashier of the bank of Michigan, to be found on page six of the testimony, in reply to the eighth question, by the chairman of the committee, the total amount of liabilities and the total amount of assets of that bank is given.

Without enumerating the items, the total amount of liabilities, is

\$606,404 31

do do assets, is

1,261,660 88

Making a difference in favor of the bank, amounting to the sum of

655,256 57

But on a recurrence to the items composing the assets of

the bank, the picture, thus, at first view presented, becomes rather gloomy indeed, and overshadowed with clouds of doubt and uncertainty. The two first items, of loans on personal security, amounting to \$712,892 21, and real estate securities amounting to \$243,916 99, and the whole amounting to \$956,809 20, locks up in the womb of time, dependant upon the multifarious circumstances of successful litigation and the eventful solvency of debtors, more than two-thirds of the whole assets of the bank.

But the testimony in relation to the Farmers' and Mechanics' bank, in the opinion of the undersigned, affords a still more melancholy account of "empty boxes."

The following statement is extracted from the evidence of Mr. Welles, in answer to a question of the committee:

| | |
|--|--------------|
| Liabilities to the public, exclusive of profit and loss, | \$316,513 63 |
| Assets, | 755,819 43 |

But those assets, when analyzed, exhibit as follows:

| | |
|--|------------|
| <i>Personal securities</i> , a large amount of which is collaterally secured by real estate, | 550,126 52 |
| Bonds and mortgages, | 51,850 18 |
| Real estate, | 15,907 73 |
| Banking house, | 9,611 18 |
| Stock of bank, taken in payment of debts, | 8,875 00 |

And it further appears, as an additional amount of assets, the following sums:

| | |
|------------------------------|-----------|
| Due from its branch, | 51,728 88 |
| Bills of its branch on hand, | 38,484 00 |

Now, it is conceded without hesitation, and in justice to these institutions, that should they be able, in the course of a reasonable period of time, to realize the items termed "loans on personal security," and "real estate securities," that they are perfectly solvent and worthy of public confidence. Whether such expectations can be reasonably indulged, considering the vast indebtedness of those who have thus been nourished by these institutions, and the great depreciation in the estimates made on real estate, during the age of speculative inflation that has gone by, is a subject of solemn consideration, not only for the legislature, but for the institutions themselves. Without desiring to utter aught that might impair their genuine standing, the undersigned may venture the observation, which seems to him as apparent as the light of truth, that the solvency of these institutions is hypothetical, depending altogether upon the ability of their debtors to comply with their engagements.

It is true, that a resort may be had to the courts of justice, to compel payment, within the usual period allotted by litigation for the recovery of debt. But, even here, a difficulty of some magnitude presents itself to the consideration of the undersigned. The institution of suits by corporations, are not so generally favored in the school of honor, as the legal demands of other creditors. Either for the purpose of delay, or with a view to defeat a recovery, a series of pleading may be reasonably anticipated, contesting at the threshold the corporate right of these institutions, to use the process of courts. The argument, tending to deny their corporate existence, is not peculiar to the opponents of banking. It will be found burning on the lips of many of that class of our citizens, esteemed the advocates of bank power, and wielded by them as a legal protection against its claims in our courts of justice.

It is not for the undersigned to express, at this time, what reliance may be placed on the position intimated, that these institutions, being created by territorial legislation, do not legally possess corporate authority; but it seems to him obvious, that in case resort is had to suits at law, to render that portion of assets available, a prolongation of time will inevitably attend their eventual recovery.

By the constitution of the United States, express powers, designated in the instrument, were conferred by the people and the states, on the federal congress. In their enumeration, no power is perceived authorizing congress to create bank corporations in the organized territories of the United States. There is no express power granted to congress to establish a national bank, yet such power has been *inferred* by the highest judicial tribunals, whose decisions are part of the general law, *as a necessary means to carry the expressed powers into execution*. This principle, however, cannot apply to the creation by congress, of territorial banks, it not being within the scope of possibility that such corporations would be considered as means necessary to enable congress to exercise the powers expressly conferred. Yet the legislation of a territory is subordinate to the creative legislation of congress, and would it not follow as a legal consequence, that the legislative council of the late territory of Michigan, being the creature of the federal congress, could not exercise greater powers, than granted to the supreme legislature.

But the undersigned forbears further to dilate upon the probable consequence of the institution of suits by the banks, for the recovery of their debts, being satisfied in his own mind that, apart from the tedious process of litigation which ever attends the ungracious waitings upon justice, other difficulties of equal magnitude will assuredly postpone and protract the

available assets into that species of means recognized by the law and constitution, as a legal tender.

But he cannot refrain to direct attention to the fact, disclosed in the evidence, that one fatal effect of bank suspension is, the tacit repudiation by banks themselves of their own engagements, thereby setting forth the immoral and pernicious example of litigation for delay, and of contesting just and righteous claims where the ability to fulfill exists, but pride and vindictiveness prompt to a different course.

It will be perceived in the testimony, that since the 28th day of October, the bank of Michigan has been sued before a justice of the peace, in several suits for small sums by different individuals, and on which, judgment was recovered, and *a resort had to the stay of execution*, a lenity granted, by the law, to save struggling adversity from immediate sacrifice, and never designed to gratify wealth, in preserving its means from the just demand of creditors. These suits were on the notes of the bank. When presented and when sued, the bank must have had better than 30,000 dollars in its vaults. What inference can be drawn by untrammelled ethics?

In the evidence given by Messrs. Drew and Richmond, a similar repudiation by this bank, of their own bills, is apparent. Why then should it be expected, that the public or the legislature should extend faith, when it is refused by the institutions themselves? Or can it be said with truth, that the affairs of banking institutions are in a sound state, when their own circulation is, by themselves discredited, and depreciated below its nominal value?

Second. The condition of the Banks.

The bank of Michigan was established, by an act of the legislative council of the territory of Michigan, adopted December 19, 1829.

The Farmers' and Mechanics' bank of Michigan was established by the same authority, approved November 5, 1829.

By the tenth section of the first act, and the twentieth section of the last act, the wise provision was made by the legislature, compulsive upon these institutions to meet and fulfill their obligations in coin. The language of the legislature is mandatory. It admits of no subterfuge. It denies to party or political predetermination the refuge of interested construction. It operates directly, like the knife of the suicide, and terminates corporate existence, without either judicial or legislative interposition. It solemnly pronounces the fiat, that, on the occurrence of a specified event, the legal consequence *shall* follow, that arrests them in their further corporate existence. The undersigned cites the language of the law, that there may be no misunderstanding of his views. It is as follows:

"That, if the bills obligatory and of credit and the bills and notes issued, are not paid when the same are due, and redeemed at the banking houses of the said banks at the city of Detroit, and within banking hours, *IN SPECIE*, the said corporations *shall* be dissolved."

On the 28th of October, the banks proclaimed to the public their approaching dissolution, but, when they refused payment on the presentment of their notes, the dissolution was effected, and the undersigned cannot refrain from expressing the opinion that the testimony exhibited to the committee, proves conclusively the forfeiture of the charters of these banks. Should he hesitate to avow this, his serious and deliberate conviction, he would prove recreant to the public, and by no means advance the interests of the stockholders. Should the legislature agree with him in opinion, steps may be immediately taken to remedy, if possible, the evil which has occurred, and resuscitate, if deemed wise and proper, these banks, which have clearly forfeited the franchises secured by their charters. By the testimony, it appears, that both these banks have issued in circulation, post notes on time, that is, promises to pay at a future day, as well as their own notes, wearing on the face the promise of the parent bank, attested by their officers.

This description of circulation seems, to the undersigned, as deceptive to the unwary, and clearly unwarranted by the law. The location of the branches are distant some hundred miles from the city. These bank bills, resembling at first glance the genuine promises of the parent, payable in Detroit on demand, prove on closer inspection, like Macbeth's witches,

"To keep the word of promise to the ear,
But break it to the hope."

Nor can the undersigned perceive, either in the provisions of the charters, or in subsequent enactments, authority for the issue of either. The judiciary of a neighboring state has already pronounced post notes to be unwarranted by similar charters, and the fifth section of the act of March 7th, 1834, referred to by the banks, as justifying their mode of issuing branch notes, does not, in the opinion of the undersigned, warrant these banks in procuring their own bills to be transversely stamped at a printing office in this city, with words importing payment at the branch, and originating from the parent counters, their circulation in this city, before they have ever passed the threshold of their branches. The branches are alone allowed, by the section referred to, "to emit" the bills of the parent banks, redeemable at their branches.

But, furthermore, the undersigned cannot leave this branch of the subject, without specially directing the attention of the legislature to the fact disclosed in the testimony, that these banks

being parent institutions, circulate to a large amount, the notes of their branches; and in direct violation of the fifth section of "an act to establish branches of the bank of Michigan and the Farmers' and Mechanics' bank and bank of River Raisin," passed by the territorial legislature, the 7th of March, 1834. *That section authorizes the branches to issue bills signed by the officers thereof, "being bills of the parent banks, made payable at the said branches."* There is no authority given to either of the parent banks, to issue in circulation their own notes, *made by themselves without concert with the branches.* This is clearly manifest from the whole tenor of the law, otherwise a wide door would be open to fraud and corporate irresponsibility. In illustration of this view, the undersigned would pointedly refer to that portion of the testimony to be found under (c,) and the answer of Mr. Sanger to questions 3 and 4, under the head of "due banks," propounded by the undersigned.

The fourth question is specific, as follows: "Has not the bank, since the 1st of January, 1840, procured some \$30,000 or more of THEIR NOTES TO BE STAMPED AT A PRINTING OFFICE IN THIS CITY, with the words "*payable at their branch at Kalamazoo,*" or words to that effect.

This question was designed to elicit information in regard to the mode by which the notes of the branches were circulated, and especially in regard to that class of parent notes thrown into circulation with the illegible shelter of being made payable at the branch. *Time, quantity and place* are specially associated in the question, with the act, concerning which, information is sought. *And let the simple answer be noted.* Mr. Sanger replies, "*It has!!*" The fact then is established, that the bank of Michigan, located in the city of Detroit, has, *since the 1st of January, 1840, procured some \$30,000 OR MORE OF THEIR NOTES, to be stamped at a printing office in said city, with words making THEM payable at its branch at Kalamazoo; and that it has issued such notes from its counter, as is detailed in the answer of the cashier to the previous interrogatory.*

Now, when the undersigned takes into consideration the report made by the bank commissioner to this legislature, dated December 30, 1839, and No. 5, of house documents, and compares the condition of the branch of this bank with *this* evidence, he cannot form any other conclusion than that this act of originally circulating branch notes, is a violation of the law and perilous to the best interests of the community. It certainly cannot meet legislative approval, and is most assuredly deceptive and vexatious to the business public.

Let it be remembered, that by the commissioner's report, the affairs of the branch bank of Michigan are thus represented at the close of the year 1839:

| | |
|--|--------------------|
| Circulation, | \$59,859 00 |
| Deposites, | 3,793 76 |
| Making its immediate liabilities amount to | <u>\$63,652 76</u> |

And that all the *immediate means*, to meet the same, amount only to

“Specie on hand, \$5,571 41!!”

And yet, notwithstanding this small *specie basis*, to meet a circulation of \$59,859 00, and \$3,793 76 of deposits, the parent bank in Detroit, without apparent concert with this branch, increases *its* liabilities to the public, since the 1st of January, “SOME THIRTY THOUSAND DOLLARS OR MORE!” *With this fact on record*, connected with the large amount of branch circulation, appearing in the statement of the Farmers’ and Mechanics’ bank, the undersigned feels warranted in the remark, that the 5th section of the act of the 9th March, 1834, if not expressly and literally violated, yet that it has been so infringed, as to prove a convenient cloak to conceal deformity, and that either these branches, or their parents, are worthy of the immediate application of legislative action.

Such being the views honestly entertained and deliberately formed by the undersigned, he commits the subject to the legislature, from which the committee emanated, for such action in the premises, as may be prompted by wisdom, dictated by justice, and guided by patriotism.

REUBEN D. TURNER.

Journal and Proceedings.

The joint committee appointed by the senate and house of representatives of the state of Michigan, on the 21st day of January, 1840, to whom was referred so much of the governor’s message as relates to the currency, &c., met on the 28th instant, at the banking house of the bank of Michigan, at half past 6 o’clock. Present, Messrs. Edmunds, Gidley, Larue, Turner, Brown and Stockton.

The chairman of the committee, Mr. Edmunds, read the following resolution:

“*Resolved*, (the house of representatives concurring,) That a joint committee of three members of the senate, and five members of the house of representatives, be appointed, to whom shall be referred so much of the governor’s message as relates to the currency of this state, with instructions to investigate the causes of the recent suspension of specie payments by the bank of Michigan, and the Farmers’ and Mechanics’ bank of Michigan, in the city of Detroit; and also to investigate the

present condition and affairs of said banks, with power to send for persons and papers.

“Resolved, That the vaults of both banks be examined at the same time, one by that portion of the committee appointed by the senate, and the other by that portion appointed by the house, or on any other principle of division which the committee may think proper to adopt; and that said committee report jointly, the result of their investigations to the senate and house of representatives.”

After which Mr. Trowbridge, the president of the bank, addressed the committee.

On motion of Mr. Turner, the following oath was administered to the officers of the bank: “You do swear that you will true answers give to such questions as shall be put you by this committee, or any member thereof, touching the subject matter which they have under investigation.”

The chairman of the committee submitted the following questions, viz:

Question 1. What is the nominal capital of this bank? What amount of said capital has been paid in in cash, and what amount in stock notes?

Answer. By Mr. Trowbridge, president. The nominal amount is \$850,000 00. \$500,000 00 has been paid in. No portion of the \$500,000 00 was in stock notes, unless the committee should so construe three or four loans in the western part of this state, made for the accommodation of gentlemen residing there, who were desirous to become interested in the bank at the time of the establishment of the branch at Kalamazoo, but could not at the time furnish the money for the payment of their stock. Some of these have been paid, and two or three, the form of the security having been changed, remain in the bank.

Question 2. Has it been customary in making loans, to give to directors and stockholders a preference, and have directors and stockholders been subject to the same rules as to giving security or endorsers upon discounted paper, as other persons having no direct interest in the institutions?

Answer. By Mr. Trowbridge. The directors and stockholders have never had any preference in making loans, but they have always been subject to the same rules which govern in the case of other customers. When loans have been made to directors or stockholders, the same security has been required as in other cases.

Question 3. What is the amount now due the bank by the directors, and what the amount due from stockholders who are not directors?

Answer. By Mr. Sanger, cashier. The amount due by the

directors is \$7,050 00. The amount due by all stockholders, not directors, is \$41,969 00.

Question 4. In making loans to directors and stockholders, have you been governed by the consideration of their owning stock in the bank, or by the fact that their general business as compared with other individuals in community, entitle them to such facilities?

Answer. By Mr. Sanger. The same rules have always been observed in making loans to stockholders, that have been observed in relation to other dealers. Their owning stock has never given them any preference.

Question 5. Is it competent for any stockholder to transfer his stock without first paying in full his indebtedness to the bank, and are the loans made to stockholders to be paid at the convenience of the borrower, or at maturity as in ordinary business transactions?

Answer. By Mr. Trowbridge. The condition of the charter is, that no stockholder can transfer his stock while he is a debtor to the bank. Loans to stockholders are made on the same terms as to other individuals, in respect to time.

Question 6. Have the loans of the bank generally been made in large amounts, or have they been distributed through the state in such sums as might well be supposed to bear an equitable proportion to the ordinary business transactions of the several borrowers?

Answer. By Mr. Trowbridge. They have not generally been made in large amounts; they have generally been distributed through the state.

Question 7. Please to state the amount due from the bank to the government of the United States, when the same is payable, whether it has been secured, and what is the amount and nature of the security?

Answer. By Mr. Trowbridge. The amount due to the treasurer of the United States, as appears from the books of the bank, on the first of January instant, was \$175,444 25. Since which period, payments have been made amounting to \$86,952 19, reducing the amount due, to \$88,492 06, to which sum is to be added, whenever ascertained by treasury statements, the balance of interest on the treasurer's account, supposed to be something over \$30,000 00. For the payment of which, however, an equivalent sum in profits is set apart, not included in the statement rendered to the executive on the first instant, for the sum of \$43,152 19, of the payments made, vouchers are not yet received from the treasurer of the United States, but are daily expected. The debt is secured to the United States, by the personal bonds of several individuals, including all the directors, the cashier, and several persons who are not in any way interested in the bank. The amount of security is

in a bond of \$500,000 00, certified by the district attorney of the United States, for the state of Michigan.

Question 8. What were the total amount of liabilities on the first of January, 1840, and what the total amount of assets?

Answer. By Mr. Sanger. The total liabilities of the bank to the public, including the stockholders, on the first of January, 1840, were \$1,261,660 88; the total assets the same amount.

Question 9. Please to state the total amount of liabilities of the bank to the public, designating the sums due to individual depositors, the United States, bill holders, the amount due on account of outstanding drafts, post notes, and other corporations; also the amount of assets designating as in the case of the liabilities?

Answer. By Mr. Sanger. The total amount of liabilities due to the public, exclusive of stockholders, is \$606,404 31, made up of the following items, viz:

| | |
|---|----------------------------|
| To the university of Michigan, payable June 1st, 1840, | \$5,549 92 |
| do do 1841, | 50,000 00 |
| do treasurer of the United States, | 175,444 25 |
| do State of Michigan, | 26,456 67 |
| Due to banks, | 14,728 27 |
| Post notes on time, | 17,524 00 |
| Drafts on time, | 49,509 69 |
| Depositors, | 192,806 51 |
| Notes in circulation (\$40,000 00, of which is supposed to be lost or destroyed in the course of 22 years' business of the bank,) | 114,485 31 |
| Total, | <u><u>\$606,404 31</u></u> |

The total amount of assets is \$1,261,660 88, composed of the following items:

| | |
|---|------------------------------|
| Loans on personal security, | \$712,892 21 |
| Real estate securities, | 243,916 99 |
| Banking house and furniture, | 48,424 27 |
| Due by the United States for advances to Indian department, | 24,109 12 |
| Due by the State of Michigan for advances, | 36,267 29 |
| Drafts of the state of Michigan on New York, | 43,000 00 |
| Due from banks, | 49,873 72 |
| Bank notes on hand, | 22,584 00 |
| Specie, gold and silver, | 67,983 89 |
| Specie loaned to Indian department, repayable in coin, | 12,609 39 |
| | <u><u>\$1,261,660 88</u></u> |

On motion of Mr. Turner, the chairman of the committee administered an oath to the secretary of the committee, requiring of him secrecy in regard to its proceedings, and that he should suffer no one to have access to the minutes, except the members of the committee and the officers of the bank.

On motion of Mr. Larue, the committee adjourned to meet at the banking house to-morrow, at half past two o'clock.

January 29, 1840.

Pursuant to adjournment, the committee met at the bank of Michigan. Present, Messrs. Edmunds, Gidley, Witherell, Larue, Turner, Stockton and Brown. The proceedings of yesterday were then read, after which the chairman put the following interrogatories:

Question 10. Please to state the total amount of assets and liabilities on the first day of August, 1836, and on the first January, 1837, 1838, 1839 and 1840.

Answer. Mr. Rawson, book-keeper of the bank, submitted in answer, the following statement:

Assets.

| | Aug. 1, 1836. | Jan. 1, 1837. | Jan. 1, 1838. | Jan. 1, 1839. | Jan. 1, 1840. |
|--|----------------|----------------|----------------|----------------|----------------|
| Loans on personal security, | \$1,851,364 09 | \$1,423,419 13 | \$1,223,184 51 | \$921,314 47 | \$712,892 21 |
| Real estate securities, | 33,174 58 | 34,110 58 | 57,316 25 | 115,554 41 | 243,916 99 |
| Banking house and furniture, | 8,500 00 | 8,500 00 | 35,991 48 | 46,790 48 | 48,424 27 |
| Due by state of Mich. for advances, | | | | | 36,267 29 |
| Due by U. S. for adv. to Ind. dep't, | | | | | 24,109 12 |
| Drafts of the state of Mich. on N. Y., | | | | | 43,000 00 |
| Due from banks, | 1,964,686 86 | 782,008 98 | 224,260 23 | 137,226 02 | 49,873 72 |
| Bank notes on hand, | 124,414 00 | 114,813 00 | 35,639 00 | 24,576 00 | 22,584 00 |
| Specie, gold and silver, | 242,893 61 | 315,515 37 | 91,399 94 | 76,705 02 | 67,983 89 |
| Specie loaned to Indian department, | | | | | 12,609 39 |
| | \$4,225,033 14 | \$2,678,387 06 | \$1,667,791 41 | \$1,322,166 40 | \$1,261,660 88 |

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Liabilities.

| | Aug. 1, 1836. | Jan. 1, 1837. | Jan. 1, 1838. | Jan. 1, 1839. | Jan. 1, 1840. |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Capital stock, | \$450,000 00 | \$450,000 00 | \$450,000 00 | \$450,000 00 | \$450,000 00 |
| do branch bank Michigan, | 50,000 00 | 50,000 00 | 50,000 00 | 50,000 00 | 50,000 00 |
| Profit and loss, | 15,783 78 | 13,619 56 | 49,516 43 | 55,770 64 | 115,156 57 |
| University of Michigan, | | | | 92,534 00 | 55,549 92 |
| Treasurer of the United States, | 1,812,352 34 | 986,079 17 | 489,039 00 | 333,020 48 | 175,444 25 |
| Treasurer of the state of Michigan, | | | | | 26,456 67 |
| Due to banks, | 432,956 99 | 53,972 92 | 47,569 26 | 29,581 45 | 14,728 27 |
| Post notes on time, | | | | 37,731 00 | 17,524 00 |
| Drafts on time, | | | | | 49,509 69 |
| Deposites, | 482,653 03 | 631,496 41 | 210,891 72 | 144,255 83 | 192,806 51 |
| Circulation, | 981,287 00 | 493,199 00 | 370,775 00 | 129,273 00 | 114,485 00 |
| | \$4,225,033 14 | \$2,678,367 06 | \$1,667,791 41 | \$1,322,166 40 | \$1,261,660 88 |

| | | | | |
|--|----------------|----------------|----------------|--------------|
| Liabilities of the bank, August 1, 1836, | \$3,709,249 36 | | | |
| Means to meet the same, | 4,225,033 14 | | | |
| Liabilities of the bank, Jan. 1, 1837, | | \$2,164,747 50 | | |
| Means to meet the same, | | 2,678,387 06 | | |
| Liabilities of the bank, Jan. 1, 1838, | | | \$1,118,274 98 | |
| Means to meet the same, | | | 1,667,791 41 | |
| Liabilities of the bank, Jan. 1, 1839, | | | | \$766,395 76 |
| Means to meet the same, | | | | 1,322,166 40 |
| Liabilities of the bank, Jan. 1, 1840, | | | | |
| Means to meet the same, | | | | \$806,404 31 |
| | | | | 1,261,660 88 |

Question 11. Of the assets enumerated in the answer to the 9th interrogatory, what amount do you consider good and collectable, and what amount doubtful, or of that class denominated bad debts?

Answer. By Mr. Trowbridge, president. It is very difficult to determine precisely the character of some of the debts, and, therefore, I am unable to state in figures the proportions of unquestionable and doubtful debts; but I will state, that upon my assuming the charge of the bank, about a year ago, a careful examination was made into the character of the debt, at a meeting of a majority of the stockholders, and with the aid of my predecessor in office, the whole debt being taken up, item by item. The result of this examination was a conviction in the minds of the stockholders, that in any event the profits which have accrued, would cover all losses by reason of bad debts and leave the capital unimpaired. During the last year, some of the debts which were considered insecure have been amply secured, and a few which were thought good, have proved to be doubtful; but on the whole, the condition of the debt has very greatly improved, and I am confirmed in the opinion of its character, formed a year ago.

I will add, as connected with this subject, that it is the intention of the stockholders to allow the profits to accumulate until the condition of the country and of the bank improve, and all possible losses are provided for. It is not pretended that the immediate collection of the debt is practicable. The state of the country is such, as to require patient and persevering efforts to attain this object.

Question 12. Is the specie mentioned in the enumeration of the assets of the bank, the real and bona fide property of the institution, or is it here on special deposit and liable to be withdrawn by that class of depositors?

Answer. By Mr. Sanger, cashier. Some portion of the specie so mentioned is deposited by receiving and disbursing officers of the government. The amount on hand, January 1, 1840, has been reduced by payments, from \$67,983 89, to \$57,464 14, of which sum, \$11,671 22, is subject to checks payable in coin, but judging from the usual custom of persons presenting those checks, I think not more than one third of this sum will be required in coin.

There is one other deposit amounting to \$4,208 00, subject to be drawn in coin, but for the greater portion of this sum, a check is now out awaiting the period when the bank shall be able to sell exchanges on New York.

Question 13. Please to state the amount due the bank by citizens of this state, and the amount due from citizens of other states?

Answer. By Mr. Sanger. The amount due by citizens of

this state is \$832,909 00, and the amount due by individuals living out of the state is \$123,900 00.

Question 14. Has the bank at any time since the suspension, had any connection with any exchange or broker's office, for the purpose of redeeming its notes at less than a par value?

Answer. By Mr. Sanger, cashier. The bank has had no connection with any other bank, broker or other individual, since the suspension of specie payment, or at any other time for the purchase of its own notes or other liabilities, or for the sale of exchange, at any price directly or indirectly, except as hereinafter explained.

With a view to accommodate its bill holders, and to put a stop to the popular clamor abroad against the currency of Michigan, arrangements were made in April, 1839, by which the bills of the bank were redeemed in the city of New York, by Messrs. Carpenter & Vermilye, bankers, at the same rates which were charged at the bank for drafts on New York, adding $\frac{1}{2}$ per cent, for their services, by which arrangement the bills of the bank were more valuable in New York, by three to twelve per cent, than the bills of other western and southwestern states. On the suspension of specie payments, this arrangement was discontinued. A similar arrangement existed with Messrs. John Ward & Co., for many years before the suspension of 1837.

Mr. Gidley presented a set of interrogatories at this stage of the proceedings, but afterwards withdrew them, to allow Mr. Turner to submit the following questions:

I. Loans on personal security.

Question 1. What is the responsibility of the makers and endorsers which constitutes the item, called in the statement of the bank of Michigan, "loans on personal security?"

Answer deferred.

Question 2. What amount of these loans on personal security is due by directors and stockholders?

Answer deferred.

Question 3. In what sums has it been loaned to each director and stockholder? Please state how many loans have been made to this class of borrowers, and in what amounts to each?

Answer deferred.

Question 4. How have they, (directors and stockholders,) secured the sums loaned to them?

Answer deferred.

Question 5. What length of time have such sums, loaned to directors and stockholders, been due?

Answer deferred.

Question 6. Are any of these loans to directors and stockholders under protest? If so, what amount?

Answer deferred.

Question 7. What steps have been taken by the bank for the recovery of loans on personal security?

Answer deferred.

Question 8. Have suits been commenced, and if so, for what amount; and for what amount has judgment been obtained?

Answer deferred.

Question 9. What amount of loans on personal security was made to members of the last legislature, and if any, how secured?

Answer deferred.

Question 10. What is the whole number of individuals to whom the loans on personal security has been made, and how many of them are residents of this state, and how many of them are merchants?

Answer deferred.

II. Real estate securities.

Question 1. Will the bank be pleased to furnish the committee a schedule of the real estate pledged to the bank, and held as security, specifying the liabilities, and in what counties the same is situated, and a description of the same?

Answer deferred.

Question 2. To what amount have mortgages been given to the bank?

Answer deferred.

Question 3. Where is the property mortgaged, located?

Answer deferred.

Question 4. Do the mortgages describe all the property which they purport to cover?

Answer deferred.

Question 5. At what valuation have debtors to the bank, mortgaged their real estate in the city of Detroit; please specify the number of lots and the improvements thereon?

Answer deferred.

Question 6. Has any of the real estate security been hypothecated by the bank; if so, to whom or what company, and what amount have they, the bank, received, or are to receive, on securities so pledged; and how and when do they exhibit such indebtedness?

Answer deferred.

III. Banking house and furniture.

Question 1. What was the cost of the lot on which the banking house is built?

Answer deferred.

Question 2. When was it purchased?

Answer deferred.

Question 3. What was the cost of the banking house?

Answer deferred.

Question 4. What was the cost of the furniture for the banking house? please exhibit the bills for both house and furniture.

Answer deferred.

IV. Due by the United States for advances to Indian department, per agreement.

Question 1. Please exhibit the accounts on your books.

Answer deferred.

V. Due by the State of Michigan for advances.

Question 1. To whom, and by what authority were these advances made?

Answer deferred.

VI. Drafts of the State of Michigan on New York.

Question 1. When were these drafts drawn?

Answer deferred.

Question 2. How did the bank get possession of them?

Answer deferred.

Question 3. What kind of funds was given for them? par funds or depreciated paper?

Answer deferred.

Question 4. When are these drafts due?

Answer deferred.

VII. Due from banks.

Question 1. What banks are indebted to the bank of Michigan under this head? Please mention their names and the amount due from each.

Answer deferred.

Question 2. Are they now solvent and redeeming their liabilities?

Answer deferred.

Question 3. How did this indebtedness arise?

Answer deferred.

Mr. Turner here suggested that the whole of his questions might be read at once, and a copy of them furnished the bank, to enable the officers to prepare the answers for the committee at their next meeting. He then proceeded to read the following:

VIII. Bank notes on hand.

Question 1. Are these bank notes, eastern bank notes, or Michigan chartered bank notes, or unchartered bank notes, or checks, small drafts, or due bills of individuals; and what amounts are there under each head?

IX. Specie, gold and silver.

Question 1. Is the gold and silver specified in your report of January 1, 1840, the bona fide property of the bank?

X. Specie loaned to the Indian department.

Question 1. What is the arrangement between the Indian department and the bank under this head?

(a) Profit and loss.

Question 1. What, and how much constitutes the debit side of the profit and loss account?

Question 2. What, and how much constitutes the credit side of the profit and loss account? Please exhibit this account on your books.

(b) Due the University of Michigan.

Question 1. How did this debt originate?

Question 2. When is it payable?

Question 3. Is there security given for its ultimate payment; and of what kind?

(c) Due Treasurer of the United States.

Question 1. When is this debt payable? and where?

Question 2. What is the security? state the security.

(d) Due Treasurer of the State of Michigan.

Question 1. On what account, or to what fund is this debt due?

(e) Due banks.

Question 1. How did this debt accrue?

Question 2. Is not the bank of Michigan indebted to its branch some \$18,000 beyond the sum charged in its statement?

Question 3. Has not the bank of Michigan issued from their counter, their own notes, signed by their own officers, and stamped transversely with the words "payable at their branch," or words to the same amount, and by what authority was this done?

Question 4. Has not the bank, since the first of January, 1840, procured some \$30,000 00 or more of their notes to be stamped at a printing office in this city, with the words payable at their branch at Kalamazoo, or words of similar import?

(f) Post notes on time.

Question 1. What was the amount of post notes issued by this bank?

Question 2. What amount remains on hand?

Question 3. Are any of these post notes due, and when due?

(g) Drafts on time.

Question 1. On whom were these drafts drawn?

Question 2. How many of them have been drawn by the bank? Please state their number and the amount of each.

Question 3. By what authority has the bank executed these drafts? Are they based upon funds deposited to meet them, or drawn upon their credit alone?

Question 4. Are all the drafts which the bank has executed, credited by them in this item, as a charge against themselves?

Question 5. What amount of drafts are out?

Question 6. What amount of drafts have been protested and returned?

Question 7. What amount of drafts have been protested and not returned?

(h) Deposites.

Question 1. Who are the depositors—citizens of this state, or of other states?

Question 2. Does the bank pay interest to depositors, for deposits—if yea, at what rate?

Question 3. Has the bank, or any of its officers for the bank, within the last six months, negotiated a loan of specie with any individual or banking institution, within this or any other state? If yea, to what amount, on what terms, and when was the negotiation completed?

Question 4. When the bank suspended on the 28th of October, 1889, was the act in consequence of a deficiency of coin, or other funds, to meet their outstanding circulation, or did it arise on the suspension of the banks in Ohio? Please state the reason why "it was deemed expedient to suspend temporarily the redemption of their notes in coin."

Question 5. Has the bank at any time since the 28th of October last, resumed, without public notice thereof, the payment of their notes in coin? If yea, for what period of time, and for what amount?

General questions.

Question 1. Have suits been brought against the bank, upon any of their notes; if so, to what amount? And what the largest, and what the smallest sum sued for?

Question 2. Has judgments been obtained, and has the bank taken the stay of execution allowed by law; and if so, for what length of time?

Question 3. Have you read the recent message of governor Woodbridge? if so, you have probably perceived that he

recommends to the committee to ascertain, and inquire, how far the purchase of the instalments of the state loan, due in 1839, may have driven your institution to a suspension of specie payments, and do you consider that your institution has been embarrassed by acting as the fiscal agent of the state, and in the purchase of its drafts? If so, in what way?

Question 4. If the bank has been embarrassed by acting as the fiscal agent of the state, in the purchase of its drafts, heretofore made, will not the purchase of the instalments due for the year 1840, lead to similar results; and prevent or protract the resumption of specie payments by the bank?

Question 5. What amount of New York funds has the bank procured by the purchase of the auditor general's drafts on account of the five million loan, for which it has not paid any premium?

Question 6. What amount of New York funds has the bank furnished the state for the purpose of meeting interest on bonds of the state due during 1839, and January 1, 1840, inclusive, free of any charge for exchange?

Question 7. When the auditor general has made sales of time drafts to the bank, has he allowed the bank interest for the unexpired time they had to run; if so, what amount of interest has been so received?

Question 8. What kind of funds has the bank disbursed in payment of the treasurer's checks, drawn on the internal improvement fund?

Question 9. What kind of funds has the bank disbursed, for the payment of the treasurer's checks drawn on the general fund?

Question 10. What kind of funds has the bank received of the treasurer on account of the general fund?

Question 11. Has the bank purchased the auditor general's warrants on the treasurer of the internal improvement fund since the cash funds of the state, to the credit of that fund, were exhausted; if so, to what amount, what time has been assumed upon them, and what rate of interest charged, and what kind of funds was payment made in; if in the post notes of the bank, what time had they to run to maturity? were the post notes payable with or without interest; if payment was made in other funds, what kind?

Question 12. Has the bank purchased railroad or canal estimates of contractors on those works, or of other persons, since the cash funds were exhausted, belonging to the state? If so, state to what amount, what time has been assumed upon them, and what rate of discount charged, and what kind of funds payments were made in; if in post notes, how long had they to run to maturity; if payment was made in other funds, what kinds?

Question 13. What are the immediate and prospective liabilities of the bank, and on what account? Please state minutely and in detail?

Question 14. What kind and amount of assets, has the bank, that can immediately or prospectively, be made available to meet its liabilities with, including specie on hand?

Question 15. When did the bank declare and pay its last dividend for profits earned; and what amount and rate per cent, did it divide among its stockholders?

Question 16. On drafts protested, returned from your banker in New York, state the causes; whether for want of funds or because funds deposited to meet sight drafts had been diverted by the order of the bank, in the purchase of drafts on time at a discount.

Question 17. What funds does the bank disburse in payment to the general government, or officers of the general government in payment of deposits.

Question 18. Has the bank been at any time in advance to the state since the commencement of its fiscal agency; if so state to what fund, for what length of time, and to what amount?

Question 19. What amount of funds derived from the auditor general's drafts on New York has been paid towards its indebtedness to the United States treasury department, during the year 1839?

Question 20. To what amount has the bank negotiated the drafts of the auditor general on the five million loan with the country banks or individuals of other states? Please state with what banks or what individuals.

Question 21. Who are the present bona fide owners of the stock of the bank of Michigan; where do they reside, and what is the amount of each individual's actual interest?

Question 22. What kind of funds have the collectors of tolls paid into the bank for receipts on the central railroad.

Question 23. What kind of funds has the treasurer deposited to the credit of the delinquent tax fund; if any in eastern, what proportion?

Question 24. What premium has the bank charged for drafts, at sight on New York, during the year 1839; and what for time drafts, having from three to four months to run to maturity?

Question 25. Does the bank chiefly use its branch notes in the transactions of its daily business; and has it not so used those notes during the last year?

Question 26. Has the bank at any time redeemed the notes of its branch at less than their par value; if so, at what rate?

On motion, the committee adjourned to meet at the bank of Michigan, on Friday, January 31st instant, at 2½ o'clock.

January 31, 1840.

The committee, pursuant to adjournment, met this afternoon, at 2½ o'clock, at the bank of Michigan. Present, Messrs. Edmunds, Gidley, Witherell, Larue, Turner and Brown.

The first business in order being Mr. Turner's special interrogatories, under the head of

I. Loans on personal security.

Question 1. What is the responsibility of the makers and endorsers which constitutes the item called in the statement of the bank of Michigan, "loans on personal security?"

Answer. By Mr. Sanger, cashier. If this question be intended to apply to the quality of the security, I answer, generally good.

Question 2. What amount of these loans on personal security is due by directors and stockholders?

Answer. By the same. The amount of loans to directors is seven thousand and fifty dollars. A majority of the directors have been in office from fifteen to twenty-two years, and have never been habitual borrowers of the bank. The amount of loans to stockholders, not directors, is forty-one thousand nine hundred and sixty-nine dollars; total, forty-nine thousand and nineteen dollars due by the holders of seven hundred and fourteen shares of stock, amounting to seventy-one thousand four hundred dollars. Four thousand two hundred and eighty-six shares of stock, amounting to four hundred and twenty-eight thousand six hundred dollars, is owned by persons who are not indebted to the bank. A large majority of the stockholders have never borrowed from the bank one dollar.

Question 3. In what sums has it been loaned to each director and stockholder? Please state how many loans have been made to this class of borrowers, and in what amounts to each?

Question 4. How have they, (directors and stockholders,) secured the sums loaned to them?

Answer. By the same. The sums loaned to directors have been as follows:

One note for five thousand dollars;

One note for one thousand and seven hundred and fifty dollars;

One note for three hundred dollars.

Total, \$7,050 00.

The sums loaned to stockholders, not directors, have been as follows: to one stockholder, \$1,600; one, \$550; one, \$650; one, \$3,787; one, \$550; one, \$3,000; one, \$7,500, (of which \$3,000 has been paid since first January;) one, \$4,000; one, \$690; one, \$4,000; one, \$1,000; one, \$14,000; one \$300; one \$100; one, \$2,000; one, \$91; one, \$3,241. Total, \$41,969 00.

The loans to directors are secured by endorsed notes, and by the pledge of fourteen thousand dollars of the capital stock.

The loans to stockholders, not directors, are secured as follows: \$16,737 00, by endorsed notes, and by the pledge of \$43,200 00 of the capital stock; \$11,232 00, by the notes of the debtors, and by the pledge of \$24,300 00 of the capital stock, and \$14,000 00 by adequate real estate security, and the pledge of \$7,500 00 of the capital stock.

Question 5. What length of time have such sums loaned to directors and stockholders been due ?

Answer. By the same. \$30,732 00 of these loans is not yet due. Of the remaining \$18,287 00, \$2,000 00 has been due two months; \$3,000 00 three months; \$1,000 00, in which (the debtor is deceased,) two years; \$4,500 00, two years; \$4,000 00, one year; \$3,787 00, four months.

Question 6. Are any of these loans to directors and stockholders under protest; if so, to what amount ?

Answer. By the same. The sum of \$7,787 00 is under protest. The remainder of the \$18,287 00, not being endorsed paper, although over due, is not under protest.

Question 7. What steps have been taken by the bank, for the recovery of loans on personal security ?

Answer. By the same. Repeated personal application to the debtors, negotiations to perfect securities and suits at law.

Question 8. Have suits been commenced ? And if so, for what amount ? And for what amount has judgment been obtained ?

Answer. By the same. Suits have been commenced amounting in the aggregate to \$229,086 61. Judgments have been obtained to the amount of \$100,000 00, as near as I am able to state.

Question 9. What amount of loans, on personal security, was made to members of the last legislature ? and if any, how secured ?

Answer. By the same. I have not had time to examine the books critically, but I do not recollect a single instance.

Question 10. What is the whole number of individuals to whom the loans on personal security has been made ? And how many of them are residents of this state, and how many of them are merchants ?

Answer. By the same. Four hundred and forty-eight, of whom ninety-eight are merchants. Three hundred and sixteen are residents of this state.

Special interrogatories by Mr. Turner.

II. Real estate securities.

Question 1. Will the bank be pleased to furnish the commit-

tee a schedule of the real estate pledged to the bank, and held as security; specifying the quantities, and in what counties the same is situated, and a description of the same?

Question 2. To what amount have mortgages been given to the bank?

Question 3. Where is the property located?

Question 4. Do mortgages describe all the property which they purport to cover?

Question 5. At what valuation have debtors to the bank mortgaged their real estate in the city of Detroit? Please specify the number of lots, and the improvements thereon?

Question 6. Has any of the real estate security been hypothecated by the bank? If so, to whom or what company, and what amount have they, the bank, received, or are to receive on securities so pledged? And how and where do they exhibit such indebtedness?

Answer. By Mr. Trowbridge, president. I trust the committee will indulge me while I make a few general remarks, before I proceed to answer the interrogatories specifically.

The questions seem to be founded upon a suspicion that some part of the history of the real estate securities of the bank is kept out of view in the exhibit of January 1st, 1840. If this be so, I hope to remove such suspicion by the following explanation.

In the latter part of the year 1838, it was found that the condition of Michigan would render it impracticable to collect during the year 1839, a sufficient amount of the debts due to the bank, to meet its liabilities falling due that year. A majority of the stockholders proposed an addition to the capital of the bank, of the sum of two hundred thousand dollars, but on inquiry it was found that the western stockholders could not pay their quota. The majority then consented that the bank might propose to such of its debtors as could not pay the money within a short period, to cancel their debts by giving their bonds, secured by mortgages upon unincumbered real estate situate any where within the limits of Michigan, of at least one and a half times the value of the debt to be secured, to be ascertained by the appraisal of its actual cash value, by three disinterested persons acquainted therewith, whose integrity and competency should be certified by some judicial officer or other public functionary. The proportion of security to debt, was afterwards increased by them to double the amount. At the same time, these stockholders agreed with each other, to purchase these securities, to have them transferred to a trustee, who should be chosen by them, and to pay to the bank, each in proportion to the capital stock held by him, during the year 1839, the sum of two hundred thousand dollars. The bank and the debtors gladly acceded to the proposal; the mortgages

have been from time to time completed, transferred, and sent to the trustee, and the stockholders have paid to the bank in cash, according to the agreement, the sum of two hundred thousand dollars, out of which one hundred and eighty thousand dollars has been paid to the United States, and the remainder used in the ordinary business of the bank.

For the convenience of the purchasers, a place of payment was designated in the city of New York, namely: the office of the North American Trust and banking company; but I have reason to believe that no part of the mortgages has ever been offered to that company or to any other corporation or person, for sale, or as hypothecated securities.

Question 1. Will the bank be pleased to furnish the committee a schedule of the real estate pledged to the bank, and held as security, specifying the quantities; and in what counties the same is situated, and a description of the same?

Answer. By the same. I am unable to furnish this list, because many of the securities are in the hands of attorneys in different places for collection.

Question 2. To what amount have mortgages been given to the bank?

Answer. By the same. Referring to the foregoing explanation, my reply will be understood to include only the mortgages taken by the bank as security from time to time, excepting those purchased by the eastern or majority stockholders. The amount so given to the bank as security is \$134,789 54. The remainder of the sum of \$234,916 99, mentioned in the exhibit of January 1st, is composed of real estate bid in on execution in favor of the bank, or purchased by mutual agreement.

Question 3. Where is the property located?

Answer. By the same. For the reason given in the answer to interrogatory No. 1, under this head, I am unable to answer this question accurately. I will state from recollection, that the property is located generally in the state of Michigan, in the counties of Wayne, Oakland, Washtenaw, Monroe, Lenawee, Calhoun, Kalamazoo, Allegan and Jackson.

Question 4. Do the mortgages describe all the property which they purport to cover?

Answer. By the same. They do, as far as I have any knowledge on this point.

Question 5. At what valuation have the debtors to the bank, mortgaged their real estate in the city of Detroit? Please specify the number of lots and the improvements thereon.

Answer. By the same. I believe the rules established in regard to the value of the property mortgaged, as stated in the explanatory remarks under this head, have always been observed. I cannot specify the lots mortgaged because the

papers, as heretofore explained, have been transferred and sent away.

Question 6. Has any of the real estate security been hypothecated by the bank, if so, to whom, or what company, and what amount have they, the bank, received, or are to receive, on securities so pledged? And how and where do they exhibit such indebtedness?

Answer. By the same. No part of the real estate securities, has been hypothecated by the bank.

Before leaving this subject, I will remark that there is one description of securities, not touched upon by the committee, namely: real estate actually purchased in payment of debts due to the bank. Of this description the bank holds in the city of Detroit, lands and buildings received in payment of debts, at the aggregate sum of \$71,000 00. This property was purchased after an appraisal by discreet men, and although some part of it is vacant and unoccupied ground, the annual rental is \$3,650 00.

Special interrogatories by Mr. Turner.

III. Banking house and furniture.

Question 1. What was the cost of the lot on which the banking house is built?

Answer. By Mr. Sanger, cashier. The lot on which the banking house is built, cost \$14,442 40.

Question 2. When was it purchased?

Answer. By the same. In the winter of 1836-7.

Question 3. What was the cost of the banking house?

Answer. By the same. The present cost of the banking house and furniture, is \$33,981 87.

Question 4. What was the cost of the furniture for the banking house? Please exhibit the bills for both house and furniture.

Answer. By the same. Some of the furniture is very old, and the bills are not at hand. I present a schedule of it, however, with an estimate of its probable cost, and the bills for part of it.

| | |
|--|---------|
| Carpets in offices, per bill herewith, | \$51 10 |
| Old carpet in junior clerk's room, per bill, | 68 63 |
| Bedstead and bedding in do do | 20 00 |
| 1 washstand, do do | 3 00 |
| 1 looking glass, do do | 2 50 |
| 1 old arm chair and cushion in president's room, | 3 00 |
| 12 rush bottom chairs, as per bill, \$2 50, | 30 00 |
| 1 pair fire dogs, in president's room, | 2 50 |
| 1 stove and pipe in banking room, | 35 00 |

Carried forward,

•

| Brought forward, | | | | \$ |
|--|----|----|--|-------|
| 1 stove and pipe in cashier's office, | | | | 28 00 |
| 1 stove and pipe in junior clerk's room, | | | | 13 00 |
| 1 cashier's desk, | do | do | | 15 00 |
| 1 book keeper's do | do | do | | 50 00 |
| 1 paper case, pine, | do | do | | 20 00 |
| 1 old table in banking room, | | | | 25 00 |
| 1 pair shovel and tongs, do | | | | 2 75 |
| 1 clock, do do do | | | | 15 00 |

The desk used by the president, being his private property, is not included in the above schedule. The furniture in the book keeper's and teller's room, being their private property, is also excluded.

Special interrogatories by Mr. Turner.

IV. Due by the United States, for advances to Indian Department per agreement.

Question 1. Please to exhibit the amounts on your books.

Answer. By D. G. Jones, vice president, In explanation of this item, I will state, at the request of the president of the bank, that in the month of November last, being in Washington, I had an interview with the secretary of war, the secretary of the treasury, and the commissioner of Indian affairs, in which I stated that the claimants under the treaty of Saginaw, were much in want of the money due them, and that the bank was willing to pay such of the claimants as were satisfied to receive payment in the currency of the country, and take credit upon its debt to the United States. This was cordially assented to; an order was issued accordingly, and this account exhibits the payments made. The payment has been reported to the Indian bureau, and the warrant is daily expected.

Special interrogatories by Mr. Turner.

V. Due by the State of Michigan for advances.

Question 1. To whom, and by what authority, were these advances made?

Answer. By Mr. Sanger, cashier. Most of the advances were made to the commissioners of internal improvement, upon their urgent solicitations, from time to time, for the purpose of carrying on the public works of the state. But by a rule of the board, in no instance departed from, no advance has been made to any commissioner, except upon the auditor general's warrants. And no advance has been made to a contractor except upon such warrant, or upon an "estimate," with the pledge of the commissioner to replace it by a warrant without delay, which has always been done. In other words, no loans or advances have been made, in anticipation of the re-

ceipt of warrants, and the whole sum reported as advances to the state on the 31st December, was in auditor general's warrants. In further explanation, I will remark, that when the railroad between Ypsilanti and Ann Arbor was partly completed, the auditor general and commissioner applied to the bank for such advances, and it was agreed that the receipts of the road should be applied to repay the amount; but the necessities of the state afterwards required that these receipts should be sent to New York, to protect the credit of the state, and at the request of the late treasurer, the bank released its claim, paid the money in New York without premium of exchange, and now holds the warrants.

I present the copy of the commissioner's application on that occasion.

(Copy.)

OFFICE OF THE BOARD OF INT. IMP'T, }
Detroit, October 28, 1839. }

DEAR SIR—I beg leave to renew my application for a further advance from the bank, in order to enable me to discharge the laborers upon the railroad between Ypsilanti and Ann Arbor. The work is finished, and the men can be discharged if I can be furnished with the means by the bank. If not paid, I cannot answer for the consequences, as the laborers are in a state of great distress and excitement and threaten to destroy the public works. I have consulted with the auditor general, who concurs with me in the opinion, that it is our first duty to get rid of these laborers, and with them the daily expense now accruing to the state.

Yours, respectfully,
 (Signed,)

W. R. THOMPSON,
 Com. C. R. R.

C. C. TROWBRIDGE, *Esq., Pres't, &c.*

Special interrogatories by Mr. Turner.

VI. Drafts of the State of Michigan on New York.

Question 1. When were the drafts drawn?

Answer. By Mr. Sanger, cashier. At different times during the latter part of the year 1830, to wit: July 19th, \$10,000 00; July 23d, \$33,000 00. The bank held a larger sum in these drafts, payable at the same time with those stated in this answer, but having procured them to be discounted, they were of course not reported.

Question 2. How did the bank get possession of them?

Answer. By the same. By virtue of a contract made with the auditor general, pursuant to an act of the legislature, passed in April, 1839, authorizing the sale of the instalments accruing on the five million loan.

Question 3. What kind of funds was given for them? Par funds or depreciated paper?

Answer. By the same. Par funds.

Question 4. When are these drafts due.

Answer. By the same. They are due on the first January, 1840.

Special interrogatories by Mr. Turner.

VII. Due from Banks.

Question 1. What banks are indebted to the bank of Michigan under this head? Please mention their names, and the amount due from each.

Question 2. Are they now solvent and redeeming their liabilities?

Question 3. How did this indebtedness arise?

Answer. By Mr. Sanger, cashier. I present herewith a list of the items composing the sum stated in the exhibit of January 1st.

The item No. 1, is explained in the answer of the president to Mr. Turner's interrogatories under the head real estate. Mr. Sill is the trustee therein mentioned. \$31,800 00 of the amount charged to him was actually in the Merchants' bank at Boston, to be paid the United States on the 31st Dec., 1839, but could not be entered here on that day for want of the voucher.

Nos. 2, 3 and 4, mentioned in the list are not now redeeming their liabilities.

| | <i>Dr.</i> | <i>Banks.</i> | |
|--------|---------------------------------|---------------|--------------------|
| | John Ward & Co., | \$2,679 83 | |
| No. 1, | W. E. Sill, New York, | 43,513 45 | |
| No. 2, | Detroit city bank, | 41 57 | |
| | Bank Buffalo, | 242 06 | |
| | Bank Geneva, | 130 46 | |
| | H. R. Seymour & Co., | 115 58 | |
| | Commercial bank of Lake Erie, | 620 49 | |
| | Bank Metropolis, Washington, | 628 75 | |
| | Franklin bank, Cincinnati, | 68 07 | |
| No. 3, | Bank of Washtenaw, | 983 23 | |
| No. 4, | Bank of Monroe, Michigan, | 570 98 | |
| | Bank of Auburn, | 67 78 | |
| | Ontario branch bank, | 101 64 | |
| | Bank of Rochester, | 77 39 | |
| | Sundry banks, (small balances,) | 32 46 | |
| | | | <hr/> |
| | | | <u>\$49,873 72</u> |

*Special interrogatories by Mr. Turner.**VIII. Bank notes on hand.*

Question 1. Are these bank notes eastern bank notes or Michigan chartered bank notes, or unchartered bank notes, or checks, small drafts or due bills of individuals, and what amounts are there due under each head?

Answer. By Mr. Sibley, teller. I cannot state with certainty as to the different descriptions of notes on hand, as I keep no account of the foreign paper in bank, changing as it does from day to day.

The committee can judge pretty correctly of what constituted this item in the statement of the first instant, by reference to the schedule of the different notes on hand *to-day*, which I hand you herewith.

The bank holds \$8,008 in "unchartered Michigan bank notes" or "wild cat," so called, which is charged to the account of "suspended debt" on its books. Some part of this will undoubtedly be lost.

In the item of bank notes there were no "checks, small drafts or due bills of individuals."

Schedule of bank notes on hand in bank of Michigan, January 31, 1840.

| | |
|--|--------------------|
| Bank of Clinton, | \$529'00 |
| Calhoun county bank, | 103 00 |
| Detroit and St. Joseph railroad bank, | 127 00 |
| Merchants' bank of Jackson, | 43 00 |
| Farmers' and Mechanics' bank and branch, | 10,674 00 |
| Branch bank of Michigan, | 2,121 00 |
| Canada notes, | 2,128 00 |
| Eastern notes, | 606 00 |
| Ohio, Indiana and Illinois, | 16,853 00 |
| St. Clair bank, | 130 00 |
| | <hr/> |
| | \$33,329 00 |

*Special interrogatories by Mr. Turner.**IX. Specie, gold and silver.*

Question 1. Is the gold and silver specified in your report of January 1, 1840, the bona fide property of the bank?

Answer. By Mr. Sanger. I respectfully refer to my reply to the 12th general interrogatory of the committee.

*Special interrogatories by Mr. Turner.**X. Specie loaned to Indian department.*

Question 1. What is the arrangement between the Indian department and the bank, under this head?

Answer. By the President. In the month of October, the superintendent of Indian affairs for this state, requested me to make him some advances, in order to enable him to pay the annuities to the Indians at Saginaw, who had been assembled for the purpose of receiving the same, and to close the business of his fiscal year, the remittances to him by the department being then expected within a few weeks at farthest. The advances were accordingly made, and it is presumed that the treasury drafts for the same have gone to Mackinac, where the superintendent now is, and that the amount will be repaid without delay.

Note.—Saturday evening, February 1. The drafts alluded to above, came to hand this day.

Special interrogatories by Mr. Turner.

(a) Profit and loss.

Question 1. What, and how much constitutes the debit side of the profit and loss account?

Answer. By Mr. Rawson, book keeper. The debit side of the profit and loss account is forty-nine thousand six hundred and sixty-six dollars and twenty-three cents. This amount has been paid for sundry expenses, such as salaries of the officers of the bank, county, town, city and road taxes, discount and expenses on sundry state drafts negotiated east, discount paid John Ward & Co., on sundry bills, interest on university account, losses on bad debts, postage, wood, oil, stationery, &c., &c.

Question 2. What, and how much constitutes the credit side of the profit and loss account? Please exhibit this account on your book.

Answer. By the same. The credit side of the profit and loss account is one hundred and sixty-four thousand eight hundred and twenty-two dollars and eighty cents. This amount has been received for discount on state drafts, bills discounted, drafts sold, interest on past due paper, exchanges, &c., &c.

Special interrogatories by Mr. Turner.

(b) Due the University of Michigan.

Question 1. How did this debt originate?

Answer. By Mr. Sanger, cashier. In the purchase, by the bank, of the board of regents of the university of Michigan, of Michigan state bonds to the amount of \$100,000, authorized by an act of the legislature, for the benefit of the university of Michigan, passed during the session of 1838.

Question 2. When is it payable?

Answer. By the same. The balance remaining unpaid, is

payable at the following times: June 1, 1840, \$5,592 12; June 1, 1841, \$50,000.

Question 3. Is there security given for its ultimate payment, and of what kind?

Answer. By the same. Ample security has been given to the regents, as certified by a committee of their own board, consisting of the bond of the bank, secured by the personal liability of the directors in their individual capacity, and the names of other persons not interested in the bank.

Special interrogatories by Mr. Turner.

(c) Due Treasurer of the United States.

Question 1. When is this debt payable, and where?

Answer. By Mr. Sanger, cashier. By an arrangement with the proper officer of the treasury, this debt is payable during the year 1840, at the treasury, unless some other place is agreed upon, as is generally done. So much of the debt as, by the arrangement, is payable before the first of May, has been paid.

Question 2. What is the security?

Answer. By the same. Refer to general interrogatory of the committee, No. 7, and the answer thereto.

(See Page 334.)

Special interrogatories by Mr. Turner.

(d) Due Treasurer of the State of Michigan.

Question 1. On what account, or to what fund is this debt due?

Answer. By Mr. Rawson, book keeper.

| | | | |
|------------------------|--------------------|-----------------------|---------------------------|
| Inter'l improv't fund, | \$793 25 | Sinking fund, | \$1,262 15 |
| Treasurer do | 149 44 | Primary school fund, | 3,413 22 |
| Balance, | 26,456 67 | Primary sch'l int. do | 6,051 74 |
| | | Contingent do | 88 89 |
| | | Delinquent tax do | 16,588 36 |
| | | | |
| | <u>\$27,399 36</u> | | <u>\$27,399 36</u> |
| | | | |
| Balance, | | | <u><u>\$26,456 67</u></u> |

Special interrogatories by Mr. Turner.

(e) Due Banks.

Question 1. How did this debt accrue?

Answer. By the same. The greater part is a balance due to the branch bank at Kalamazoo, growing out of the business between the parent bank and the branch. The remainder con-

lists of small balances due to nineteen banks, arising from the general interchange of business.

Question 2. Is not the bank of Michigan indebted to its branch some \$18,000 00, beyond the sum charged in the statement?

Answer. By Mr. Rawson, book keeper. Not to my knowledge.

Question 3. Has not the bank of Michigan issued from their counter their own notes, signed by their own officers, and stamped transversely with the words "payable at their branch," or words to the same amount? And by what authority was this done?

Answer. By Mr. Sanger, cashier. The bank of Michigan has issued from its counter, notes similar to those described in the interrogatory, to wit: notes of the parent bank, endorsed by the cashier of the branch bank.

The authority for doing this is found in the 5th section of the act entitled "An act to establish branches of the bank of Michigan, Farmers' and Mechanics' bank of Michigan, and bank of River Raisin," approved March 7, 1834.

Question 4. Has not the bank, since the first of January, 1840, procured some \$30,000 00 or more of their notes, to be stamped at a printing office in this city, with the words "payable at their branch at Kalamazoo," or words of similar import?

Answer. By the same. It has. Most of the notes used by the branch since it was chartered in 1834, have been so stamped at the same office.

Special interrogatories by Mr. Turner.

(f) Post notes on time.

Question 1. What was the amount of post notes issued by the bank?

Question 2. What amount remains on hand?

Question 3. Are any of these post notes due, and when due?

Answer. By Mr. Sibley, teller. In the year 1838, the bank issued post notes to the amount of \$49,731 00, which have all been redeemed except \$1,658 00 that have not been presented for payment.

In the year 1839, it issued \$19,150 00, and there were in circulation on the first instant, \$15,866 00, payable in the months of July, August, September and October, of the present year.

Special interrogatories by Mr. Turner.

(g) Drafts on time.

Question 1. On whom were these drafts drawn?

Answer. By Mr. Sanger, cashier. On Messrs. John Ward & Co., bankers, New York.

Question 2. How many of them have been drawn by the bank? Please state their number and the amount of each?

Answer. By Mr. Rawson, book keeper. I present, herewith, a list containing the information asked for.

113 Drafts on John Ward & Co.

| | | | | | |
|----------|-----------|----------|----------|----------|-------------|
| \$200 00 | \$200 00 | \$100 00 | \$100 00 | \$100 00 | \$116 00 |
| 100 00 | 200 00 | 100 00 | 100 00 | 100 00 | 142 00 |
| 500 00 | 100 00 | 100 00 | 100 00 | 138 44 | 142 00 |
| 500 00 | 500 00 | 100 00 | 100 00 | 110 00 | 193 05 |
| 500 00 | 500 00 | 100 00 | 100 00 | 1,332 25 | 200 00 |
| 100 00 | 500 00 | 100 00 | 100 00 | 100 00 | 70 17 |
| 100 00 | 500 00 | 193 85 | 100 00 | 100 00 | 400 00 |
| 100 00 | 300 00 | 150 00 | 100 00 | 100 00 | 200 00 |
| 100 00 | 200 00 | 150 00 | 100 00 | 100 00 | 100 00 |
| 100 00 | 200 00 | 150 00 | 2,000 00 | 200 00 | 100 00 |
| 100 00 | 200 00 | 150 00 | 2,000 00 | 200 00 | 250 00 |
| 1,091 86 | 200 00 | 110 00 | 2,000 00 | 200 00 | 500 00 |
| 100 00 | 200 00 | 100 00 | 2,000 00 | 200 00 | 500 00 |
| 500 00 | 300 00 | 1,468 57 | 90 00 | 268 00 | 525 00 |
| 500 00 | 300 00 | 116 00 | 112 50 | 100 00 | 1,000 00 |
| 300 00 | 300 00 | 150 00 | 100 00 | 100 00 | 330 00 |
| 300 00 | 300 00 | 202 00 | 300 00 | 100 00 | 100 00 |
| 200 00 | 100 00 | 100 00 | 100 00 | 100 00 | 100 00 |
| 1,085 00 | 13,800 00 | 2,000 00 | 303 00 | | |
| | | | | | \$49,509 69 |

N. RAWSON.

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Question 3. By what authority has the bank executed these drafts? Are they based upon funds deposited to meet them, or drawn upon their credit alone?

Answer. By Mr. Sanger, cashier. No drafts at sight have, to my knowledge, ever been drawn, without funds for the payment thereof; and no drafts on time have ever been drawn, which were not drawn against the state drafts, against the drafts of other banks falling due at the same time, or against private bills of exchange, the payment of which was considered unquestionable.

Question 4. Are all the drafts which the bank has executed, credited by them in this item, as a charge against themselves?

Answer. By the same. The statement exhibited, shows all the drafts executed and falling due from the 1st of January, onward. Those due prior to that date, except two hereafter mentioned, have all been paid, and some due after that date, were paid before maturity. Those included in the item stated, all fell due on the quarter January instant, except \$1,085 00 sent to pay interest for the state, which fell due on the 15th instant, and has been paid.

Question 5. What amount of drafts are out?

Answer. By the same. I do not know that there are any out.

Question 6. What amount of drafts have been protested and returned?

Question 7. What amount of drafts have been protested, and not returned?

Answer. By the same. On the 6th November last, owing to a mistake, a number of small drafts, amounting in the aggregate to about \$12,000, were protested, but they were all paid at New York, with expenses, most of them the next day, and the remainder within three or four days thereafter, excepting two or three small ones which were paid here by sight drafts on New York, and as many of like character at the request of the holders in other manner.

On the 4th instant, four drafts of \$2,000 each, were, to the bank, very unexpectedly protested for non-payment, owing, as we suppose, to the non-payment of some drafts held by the bank and payable in the latter part of the year 1839; but nothing further has been heard of these drafts, and it is supposed that the agent of the bank has paid them on account of the bank, in anticipation of the payment of discounted bills belonging to the bank, in his hands for collection.

One other draft of \$200, and one of \$500, were protested some time in December, which have not been returned for payment. These are all the drafts out, of which I have any knowledge.

Note.—February 11th. The drafts alluded to have been paid as anticipated in the above answer.

Special interrogatories by Mr. Turner.

(h) *Deposites.*

Question 1. Who are the depositors—citizens of this state or of other states?

Answer. By Mr. Sanger, cashier. Two hundred and forty-one citizens of this state, twenty-six citizens of other states, and eleven persons whose residence is unknown to me.

Question 2. Does the bank pay interest to depositors for deposits? If yea, at what rate?

Answer. By the same. No, except to the university of Michigan, to whom it pays seven per cent, per annum. A proposition was made to the bank by an individual, before the suspension of specie payments, and renewed since, to loan the sum of \$4,000 00 in coin, for a term of six or nine months, upon interest, which was not accepted. I will add, that within a few days, the bank has made an arrangement to pay the corporation interest on their current account, for a limited time.

Question 3. Has the bank or any of its officers for the bank, within the last six months, negotiated a loan of specie with any individual or banking institution, within this or any other state? If yea, to what amount, on what terms, and when was the negotiation completed?

Answer. By the president, cashier, book keeper and teller. No loan of specie has been negotiated by the bank, or by any other person, with any individual or banking institution within this or any other state, within the last six months; and we have no knowledge of such a loan ever having been made to the bank at any other time.

Question 4. When the bank suspended on the 28th of October, 1839, was the act in consequence of a deficiency of coin or other funds, to meet their outstanding circulation, or did it arise on the suspension of the banks in Ohio? Please state the reason why "it was deemed expedient to suspend temporarily the redemption of their notes in coin."

Answer. By Mr. Trowbridge. I cannot state the cause of the present suspension without adverting to the history of the bank for several years past. For some time prior to June, 1836, this bank had been a bank of deposit for the government. From the year 1818, all the public officers in this part of the country had made their disbursements through it, and in the year 1835, particularly, the government held in our custody a large sum of money. But inasmuch as these deposits were held always subject to withdrawal without notice, they were held in such condition as to be at all times available; and the bank pursued its even course from year to year, ma-

making considerable profits, doing much good to the country, and maintaining a high credit.

In the month of June, 1836, congress passed an act authorizing the employment of state banks as depositories of the public revenue, upon the following, among other conditions: the banks were to pay two per cent interest upon the whole amount of such deposits, to take all the risk of transporting them from time to time to any part of the union, and to do this free of all expense or exchange. It was inferentially understood that they were to use this money as a means of reimbursing themselves for this risk, and expense and interest. All the debates were to this end. Such became the settled policy of the government, and accordingly the banks were instructed by the treasury department to lend it to the community. It became, therefore, an object with the banks to cover their increased expenses, losses by exchange and risks of transportation, as well as the interest by lending as much of the money as possible.

It was very soon found that the system did not work well; that banks were multiplying very rapidly, and that fictitious capital was increasing to an alarming extent.

The remedy adopted was a severe, though it may have been a necessary one. The "specie circular" was issued. Congress soon afterwards met, and the act distributing the surplus moneys was passed. The deposit banks in Michigan were called upon to transfer to New York and Boston, for the use of the states, the whole of the public moneys in their keeping, without delay. The committee will recollect that the effect of the withdrawal of twenty-eight millions from the deposit banks, was the suspension of specie payments in May, 1837. When that event happened, the debt of this bank to the United States, which on the first of August preceding, was \$1,812,852 00, had been reduced to \$755,000 00. Since May, 1837, there has existed throughout the United States a degree of pecuniary embarrassment unexampled in the history of the country. No state has felt this more severely than Michigan. A debtor state to all around her, even for the necessaries of life, without any exports except from her fisheries—these exceedingly limited—deeply embarrassed by extensive importations of foreign merchandize, by the embarkations of her citizens in all imaginable plans of speculation, and by the introduction of habits of extravagance unfitted to the people of a new country, it was naturally to be expected that her citizens would demand legislative interposition between the creditor and debtor. The power was in the hands of the people, and they exercised it; but while they provided for their own relief, they left the banks to take care of themselves. These were called upon to redeem all their liabilities, and as the general scarcity of money increased, the demands upon them became more press-

ing. In addition to this cause, there has been an increasing drain of moneys out of the state to meet the foreign debt. In consequence of all which, the currency of the state has been exhausted, and it has been impracticable to collect the debts due to the bank, with sufficient rapidity to meet the demands of the depositor and bill holder, and to pay its other liabilities. Notwithstanding these embarrassments, the bank has patiently and industriously devoted itself to the difficult task, and has succeeded in reducing its total indebtedness, except to stockholders, between August 1, 1836, and January 1, 1840, as exhibited in a sheet before your committee, from \$3,709,250 00 to \$606,404 00. In October last, the United States, and other banks in the neighboring states of Illinois and Ohio, suspended specie payments. The consequence was, a run upon the bank of Michigan for coin, from all these states; and this cause, added to the want of means for providing eastern exchange for our merchants, and the high price of money in the Atlantic cities, which precluded the possibility of negotiations for temporary relief, produced a crisis in its affairs. The bank found that its exertions to keep up a supply of coin adequate to the wants of the country, until the crops of 1839 could be realized, would be fruitless; and having breasted the storm for several weeks after the suspension had become general, it was deemed a matter of duty to the stockholders and to the people of Michigan, to yield to the stern necessities of the case, and suspend specie payments. It is believed that the measure met the general approbation of the business community, as one of defence against foreign demands to the exclusion of our own citizens. It follows, then, that the true reason for the suspension of specie payments by the bank of Michigan, is the inability of its debtors, in the present state of the country, by any sacrifice, however great, to pay what they owe; which inability I have endeavored, as above, to trace to its source.

Question 5. Has the bank at any time, since the 28th of October last, resumed without public notice thereof, the payment of their notes in coin? if yea, for what period of time, and for what amount?

Answer. By Mr. Sanger, cashier. The bank has received in deposit and paid out on its notes more or less coin in small sums every day, (sundays and holy days excepted,) since the 28th October last.

General questions by Mr. Turner.

Question 1. Have suits been brought against the bank upon any of their notes; if so, to what amount, and what the largest and what the smallest sum sued for?

Question 2. Has judgment been obtained, and has the bank taken the stay of execution allowed by law, and if so, for what length of time?

Answer. By Mr. Trowbridge, president. Suits have been brought against the bank upon their notes in the names of the following persons, at the dates and for the sums mentioned, viz:

| | | |
|----------------------|----------------|----------|
| Nelson Robinson, | Dec. 19, 1840, | \$5 00 |
| Peleg S. Utley, | do | 5 00 |
| Ansel Roberts, | do | 5 00 |
| Thomas F. Field, | do | 5 00 |
| John B. Elwood, | do | 5 00 |
| Ansel Chappell, | do | 5 00 |
| Chauncey Johnson, | do | 5 00 |
| Thomas J. Patterson, | do | 5 00 |
| Hiram Waring, | do | 5 00 |
| James A. Taylor, | do | 5 00 |
| Willson Lambert, | do | 5 00 |
| James A. Taylor, | Jan. 4, 1840, | 20 00 |
| Josiah Kingsbury, | do | 20 00 |
| Edward Y. Morton, | Jan. 15, | 2 00 |
| Nelson Robinson, | do | 20 00 |
| Peleg S. Utley, | do | 5 00 |
| Elias Geer, | do | 5 00 |
| Jno. Stanton, | do | 6 00 |
| Valentine Kirby, | do | 20 00 |
| William Geer, | do | 1 00 |
| Daniel Wakefield, | Jan 17, 1840, | 6 00 |
| Edward R. Moseley, | do | 3 00 |
| Isaac Scofield, | do | 3 00 |
| Hiram Waring, | do | 3 00 |
| Isaac Kelby, | do | 3 00 |
| Edward Y. Morton, | do | 3 00 |
| Jer. B. Shepard, | do | 5 00 |
| John T. White, | do | 3 00 |
| Aaron Kimball, | do | 5 00 |
| Lewis E. Root, | do | 5 00 |
| Erasmus P. Smith, | do | 8 00 |
| Alfred Hubbell, | do | 6 00 |
| | | <hr/> |
| | | \$202 00 |

Amounting in the whole to the sum of two hundred and two dollars. Upon most of the cases, judgment has been rendered and security given for the stay of execution.

As the question of these suits, if unexplained to the committee, may lead to unfavorable impressions in regard to the conduct of the bank, I beg leave to make the following explanatory statement.

When I took charge of the bank a year ago, I found a suit pending against it in favor of Messrs. Robinson, Waring & Co.

brokers, of Buffalo. In the month of March, the attorney of the plaintiffs submitted to me a statement of the case, and requested payment. I placed the statement in the hands of the attorneys of the bank for examination. They returned it with a written opinion, that if all the allegations of the plaintiffs were admitted, they would have no cause for action. Mr. Robinson at that time or soon afterwards, came to Detroit, and at my request had several interviews with the board of directors on the subject, from whom he received the assurance that they were desirous to do whatsoever might be just in the matter. The late president of the bank, the cashier, and the gentleman who acted as teller at the time of the transaction upon which the suit was founded, were all examined before the board of directors, and all testified that the allegations in the plaintiffs statement above alluded to, were untrue. The agent of the gentlemen whose draft formed the ground of the suit, subsequently appeared before the board and testified that so much of the plaintiffs statement as related to him, was untrue. The testimony of these gentlemen was communicated without delay to Mr. Robinson and to his attorney.

Under these circumstances, the board of directors could not but conclude that there was neither legal nor moral obligation upon the bank to pay the claim. But they perceived that the plaintiffs and their attorney were much prejudiced against the bank, and accordingly I was authorized to make, and did make, to Mr. Robinson, the following proposals, namely: to bring the cause to trial at the first term of the court; to refer the matter in difference to three disinterested business men, to be mutually chosen by the parties, or to give him one thousand dollars in cash, and allow him to collect as much as he could for his own benefit, out of the parties to the draft in question.

Some time after this proposition was made, (for Mr. Robinson was often at Detroit during the spring and summer of 1839,) Mr. Robinson presented to the cashier an offer to discharge the bank upon the payment of twelve hundred and ten dollars. But, in the interim, the bank learned that Mr. Robinson and his attorney had industriously circulated a charge of gross fraud on the part of the bank, and that they had threatened to employ the whole capital of the plaintiffs, (said to be large,) in breaking it down; at the same time boasting that they had drawn from the bank, in the year 1838, twenty-five thousand dollars in coin with a view to bring it to terms.

This procedure induced the board to think, that duty to the stockholders, to the officers connected with the transaction, and to themselves, demanded a full exposition of all the facts of the case before a jury, and they, therefore, declined the proposal.

Since the sitting of the court at its last term in November,

1839, it was ascertained that the plaintiffs had discontinued their suit, and had attached the funds of the bank in the city of New York, and soon after, and since the suspension of specie payments by the banks in this city, the attorney of the plaintiffs presented at the counter of this bank, a package of bank notes, demanding coin therefor. This was refused, and a few days afterwards eleven suits were commenced against the bank by this attorney, as specified in this answer. Other suits, to the number of twenty-one in all, have been commenced by the same attorney, in the names in this answer specified, *but without any other demand than the one herein above mentioned.*

Being fully persuaded that much ill-founded prejudice might arise in the minds of the community from these suits, I requested an attorney of the bank to state, that even now, the directors were willing to do whatever was equitable in the matter; but the answer by the plaintiffs' attorney, as stated in an affidavit, herewith presented, was, *that they and he had taken their course, that they intended to annoy the bank in every possible way, until they compelled it to pay in costs the full amount of the claim in question, and that he could not negotiate in any manner as to any arrangement.*

In regard to the suits before the justice, I directed the bank attorneys to allow the plaintiffs to take their own course in three of four cases. The result was, that juries were called in each of the four cases, one of which was for the recovery of one dollar and one for two dollars, with costs in each case, two dollars ninety-four cents, and the exhibition of the case of one dollar in a newspaper, as an evidence of the weakness of the bank. No other suits than those herein specified, have been brought against the bank upon their notes.

(Copy.)

State of Michigan, Wayne County, ss.

George C. Bates, of the city of Detroit, one of the firm of Bates & Talbot, being duly sworn, deposeth and saith, that he was employed by the bank of Michigan to defend a cause pending in the circuit court of the county of Wayne, in which Robinson, Warring & Co., were plaintiffs, and the bank the defendant; that he carefully and thoroughly examined into all the facts and the law of the case, soon after the suit was commenced, and advised the said bank, that in his, deponent's opinion, there was not a shadow of *legal* claim on the bank by said plaintiffs. And this deponent further saith, that the foregoing statement of C. C. Trowbridge, so far as deponent is acquainted with the facts, is true; that Wm. Hale, Esq., attorney for the said plaintiffs, on two several occasions, when deponent stated that the bank were anxious to settle the affair and would

pay half the loss, stated in reply, "that he would make no terms with the bank, except they would pay the whole amount, that he would commence and continue to sue the bank on her notes until he had drawn from the bank in costs, the amount in controversy." And deponent further saith, that on another occasion, he invited Mr. Hale to see the president of the bank, assuring him that the affair could be equitably adjusted, but he positively declined, saying that he had taken his course, and he intended to follow it.

(Signed,)

GEO. C. BATES.

Sworn and subscribed before me, this 1st of February, 1840.

(Signed,)

HENRY N. WALKER.

Notary Public, Wayne Co., M.

Question 3. Have you read the recent message of governor Woodbridge? If so, you have probably perceived that he recommends to the committee to ascertain, and inquire, how far the purchase of the instalments of the state loan, due in 1839, may have driven your institution to a suspension of specie payments, and do you consider that your institution has been embarrassed by acting as fiscal agent of the state, and in the purchase of its drafts? If so, in what way?

Answer. By Mr. Trowbridge. I do not think the purchase of the instalments of the state loan, due in 1839, had any such tendency.

Question 4. If the bank has been embarrassed by acting as the fiscal agent of the state in the purchase of its drafts, heretofore made, will not the purchase of the instalments due for the year 1840, lead to similar results, and prevent or protract the resumption of specie payments by the bank?

Answer. By the same. If the instalments are duly paid, the purchase of them would have a tendency to accelerate, instead of retarding the resumption of specie payments.

The chair appointed Messrs. Turner and Brown a committee to wait on the officers of the Farmers' and Mechanics' bank of Michigan, to ascertain at what time they would be ready to receive the committee.

On motion, the committee adjourned, to meet at No. 50, American hotel, to-morrow afternoon at 2½ o'clock.

February 1, 1840.

The committee met pursuant to adjournment at the American hotel, and having passed the following resolution, it further adjourned to meet at 6½ o'clock, at the bank of Michigan:

Resolved, That the secretary of the committee be directed to notify O. Wickware, E. Steele and H. H. Brown, to meet

the committee at No. 50, American hotel, on Monday afternoon, third instant, at 2½ o'clock, to answer such questions as the said committee may propound, touching the subject of their investigations of the bank of Michigan and the Farmers' and Mechanics' bank of Michigan, and also to notify K. Pritchette, to the same effect.

—
Bank of Michigan, February 1, 1840.

Saturday evening, 6½ o'clock. Members of the committee present, Messrs. Edmunds, Gidley, Larue, Turner and Brown.

The first business in order was general question, by Mr. Turner, No. 5.

Question 5. What amount of New York funds has the bank procured by the purchase of the auditor general's drafts on account of the five million loan, for which it has not paid any premium?

Answer. By Mr. Sanger, cashier. In New York bank notes paid out here to the state at par, \$96,090 00
In funds deposited in New York city, 150,500 00

Making in all the sum of \$246,500 00

Question 6. What amount of New York funds has the bank furnished the state for the purpose of meeting interest on bonds of the state, due during 1839, and January 1, 1840, inclusive, free of any charge for exchange?

Answer. By the same. The amount furnished for this purpose has been \$41,585. The bank has never charged premium to the state for drafts furnished.

Question 7. When the auditor general has made sales of time drafts to the bank, has he allowed the bank interest for the unexpired time they had to run, if so, what amount of interest has been so received?

Answer. By the same. I would respectfully refer to the answer by Mr. Rawson, book keeper, to special interrogatory by Mr. Gidley, No. 2.

[The bank has received of the state, as discount upon the drafts purchased under the said contract, six thousand seventy-seven dollars and thirty cents; but in order to meet the demands of the state, it was necessary to get these drafts discounted elsewhere, and in doing so the bank paid for discount and expenses, five thousand six hundred and fifty-two dollars and twenty-seven cents, leaving a direct gain to the bank for discount and interest, of four hundred and twenty-five dollars and three cents.]

Question 8. What kind of funds has the bank disbursed in

payment of the treasurer's checks drawn on the internal improvement fund?

Answer. By Mr. Sibley, teller. Always specie or the notes of specie paying banks and drafts on New York, until the late suspension of specie payments, since which period the sum of \$1,444 10 only has been paid.

Question 9. What kind of funds has the bank disbursed for the payment of the treasurer's checks drawn on the general fund?

Answer. By the same. Always specie or the notes of specie paying banks until the late suspension. The amount disbursed on this account *previous* to the suspension, was \$116,649 49, and the amount disbursed since then, \$23,620 19.

Question 10. What kind of funds has the bank received of the treasurer on account of the general fund?

Answer. By the same. Specie and the notes of all the states north of the Potomac and east of the Mississippi in good credit, but generally the notes of the banks in Michigan.

Question 11. Has the bank purchased the auditor general's warrants on the treasurer of the internal improvement fund since the cash funds of the state, to the credit of the fund, were exhausted? If so, to what amount, what time has been assumed upon them, and what rate of interest charged, and what kind of funds was the payment made in? If in the post notes of the bank, what time had they to run to maturity? were the post notes payable with or without interest; if payment was made in other funds, in what kind?

Answer. By Mr. Sanger, cashier. The bank did purchase after the treasury of the state was exhausted and prior to January first, instant, a small amount of the warrants of the auditor general, but the greater part of the warrants on hand as stated in the report, were received from the commissioners of internal improvement. I have no means of ascertaining the precise sums so purchased, but the amount is small.

On so many of them as were received from the commissioners, no interest was paid by them. On those which were presented in the way of business, the bank charged from two to six months' interest, at the rate of six per centum per annum. In one or two instances, after the suspension of specie payments by the bank of the United States, and when the payment of these warrants by the state was considered very uncertain, discount may have been taken for a longer time, but with an arrangement to refund if payment was made earlier than the time agreed upon.

Payment has been made for these warrants in specie, in the notes of specie paying banks and in some cases in the post notes of the bank, but most of the post notes now out, were advanced to the commissioners in the way above stated.

The post notes are payable without interest, in the months of July, August September and October next.

I present a copy of a letter from one of the commissioners to the president of the bank, more fully explaining the purchase of the warrants, received at a time when the bank was struggling to sustain itself in paying specie, and when it had already advanced \$16,554 63 to the state without any certainty as to the payment of such advances.

(Copy.)

Detroit, October 7, 1839.

DEAR SIR—In your absence, I have been obliged to call on Col. Jones, and request him to give me \$1,000 of post notes, as the state have no means for the carrying on the works of internal improvement. I am satisfied that your bank has done all in their power, in making advances from time to time, to finish the central railroad from Ypsilanti to Ann Arbor. I am under the necessity of calling on you again, to give me some more of your post notes if you have no other means you can spare, as I find I am considerable in debt and must have some means to pay. Will you have the goodness to leave an answer at the bank this afternoon? You will much oblige,

Your humble servant,

(Signed,)

WM. R. THOMPSON.

C. C. TROWBRIDGE, *Esq., President, &c.*

Question 12. Has the bank purchased railroad or canal estimates of contractors on these works, or of other persons, since the cash funds were exhausted, belonging to the state? If so, state to what amount, what time has been assumed upon them, and what rates of discount charged, and what kind of funds payments were made in, if in the post notes, how long had they to run to maturity, if payment was made in other funds, what kinds?

Answer. By the same. Please to refer to my answers to the last interrogatory, and to special interrogatory No. 1, by Mr. Turner, under the head of advances to the state of Michigan.

(*See pages 353 and 371.*)

Question 13. What are the immediate prospective liabilities of the bank, and on what account? Please state minutely and in detail.

Answer. By the same. I respectfully refer the committee to the answer by Mr. Rawson, to the tenth general interrogatory of the committee, as containing all the information required by this question.

(*See pages 337, 338 and 339.*)

Question 14. What kind and amount of assets has the bank, that can immediately or prospectively be made available to meet its liabilities with, including specie on hand?

Answer. By the same. I refer to the same source stated in the answer to the last interrogatory, as containing my reply to this question.

(See pages 337, 338 and 339.)

Question 1. When did the bank declare and pay its last dividend for profits earned? And what amount and rate per cent, did it divide among its stockholders?

Answer. By the same. On the 31st December, 1836, the amount was \$50,000 00, and the rate per cent, ten.

Question 16. On drafts protested, returned from your banker in New York, state the causes, whether for want of funds or because funds deposited to meet sight drafts, had been diverted by order of the bank, in the purchase of drafts on time, at a discount?

Answer. By the same. I respectfully refer to my answer to special interrogatories No. 6 and 7, by Mr. Turner, under the head of "drafts on time."

(See page 362.)

Question 17. What funds does the bank disburse in payment to the general government, or officers of the general government in payment of deposits?

Answer. By the same. The officers of the general government, keeping their deposits here, hold bonds, in pursuance of instructions from their several departments, to repay them the kind and description of funds deposited. When they deposit bank notes, their checks are payable in bank notes, and when they deposit coin, their checks are payable in coin. Sometimes for the convenience of the holder, and sometimes upon mutual agreement, the checks of public officers are paid in drafts on New York, in notes of other states, and in those of our own state. I will add, that as far as my knowledge extends, the deposits by public officers in this bank, are made by positive orders from the heads of their respective departments.

Question 18. Has the bank been at any time in advance to the state, since the commencement of its fiscal agency? If so, state to what fund, for what length of time, and to what amount.

Answer. By Mr. Rawson. The bank has been in advance to the state, upon its drafts purchased, as follows:

1839.

| | | |
|-----------|---|---------------------|
| | The bank purchased state drafts in April, | \$207,500 00 |
| April 30, | Amount of state deposits on hand, | 55,301 96 |
| | | <hr/> |
| | The bank was in advance to the state, | <u>\$125,198 04</u> |

1839.

| | | |
|---------|---|---------------------|
| | The bank purchased in May, \$50,000, making in all, | \$257,500 00 |
| May 31, | Amount of state deposits, | 31,577 27 |
| | | <hr/> |
| | The bank was in advance to the state, | <u>\$225,922 73</u> |

1839.

| | | |
|----------|--|---------------------|
| | The bank purchased in June, \$55,000, making in all, | \$312,500 00 |
| June 30, | Amount of state deposits, | 20,926 70 |
| | | <hr/> |
| | The bank was in advance to the state, | <u>\$291,573 30</u> |

1839.

| | | |
|----------|---------------------------------------|---------------------|
| July 1, | Amount of state drafts purchased, | \$312,500 00 |
| | Amount of state drafts paid, | 207,500 00 |
| | | <hr/> |
| | Balance of drafts unpaid, | \$105,000 00 |
| | The bank purchased in July, | 81,310 92 |
| | | <hr/> |
| | | \$186,310 92 |
| July 31, | Amount of state deposits, | 45,775 59 |
| | | <hr/> |
| | The bank was in advance to the state, | <u>\$140,535 33</u> |

1839.

| | | |
|----------|---------------------------------------|---------------------|
| Aug. 31, | Amount of state drafts unpaid, | \$186,310 92 |
| | Amount of state deposits, | 39,837 62 |
| | | <hr/> |
| | The bank was in advance to the state, | <u>\$146,473 30</u> |

1839.

| | | |
|----------|---------------------------------------|---------------------|
| Sep. 30, | Amount of state drafts unpaid, | \$186,310 92 |
| | Amount of state deposits, | 38,470 50 |
| | | <hr/> |
| | The bank was in advance to the state, | <u>\$147,840 42</u> |

1839.

| | | |
|----------|--------------------------------|--------------|
| Oct. 31, | Amount of state drafts unpaid, | \$186,310 92 |
| | Amount of state deposits, | 34,005 71 |

The bank was in advance to the state, \$152,305 21

1839.

| | | |
|---------|---------------------------------------|--------------|
| Nov. 1, | Amount of state drafts, | \$186,310 92 |
| | Amount of state drafts paid this day, | 118,310 92 |

| | | |
|-------|--------------------------------|-------------|
| " 30, | Amount of state drafts unpaid, | \$68,000 00 |
| | Amount of state deposits, | 25,179 06 |

The bank was in advance to the state, \$42,820 94

1839.

| | | |
|----------|--------------------------------|-------------|
| Dec. 31, | Amount of state drafts unpaid, | \$68,000 00 |
| | Amount of state deposits, | 26,456 67 |

The bank was in advance to the state, \$41,543 33

Out of the whole amount of drafts purchased, the sum of \$80,000 00 was credited to the general fund, and the remainder to the internal improvement fund.

The bank also commenced advancing to the state, upon the auditor general's warrants, on the 8th of August, and advanced from time to time, up to December 31, the greater proportion of the sum of \$36,267 29, mentioned in the exhibit of January 1, 1840.

Question 19. What amount of funds derived from the auditor general's drafts on New York, has been paid towards its indebtedness to the United States treasury department, during the year 1839?

Answer. By Mr. Sanger, cashier. Not any part.

Question 20. To what amount has the bank negotiated the drafts of the auditor general on the five million loan, with country banks, or individuals of other states? Please state with what banks or what individuals.

Answer. By the same. The sum of \$312,500 00 as follows:

| | |
|--|-------------|
| With the Commercial bank of Lake Erie, | \$25,000 00 |
| do Bank of Cleveland, | 10,000 00 |
| do Bank of Massillon, | 10,000 00 |
| do Farmers' and Mechanics' bank, Steubenville, | 20,000 00 |
| do City bank of Rochester, | 10,000 00 |

Carried forward,

\$

| | | |
|--|--|---------------------|
| Brought forward, | | |
| With the Bank of Geneva, | | 30,000 00 |
| do Merchants' exchange bank, New York, | | 40,000 00 |
| do Springfield and Chicopee banks, | | 30,000 00 |
| do Greenfield bank, | | 10,000 00 |
| do John Ward & Co., New York, | | 127,500 00 |
| | | <hr/> |
| | | \$312,500 00 |
| | | <hr/> |

The remainder of the drafts of the state, received of the auditor general, were held by the bank until they were paid.

Question 21. Who are the present bona fide owners of the stock of the bank of Michigan, where do they reside, and what is the amount of each individual's actual interest?

Answer. By Mr. Trowbridge, president.

1,067 shares are owned by persons residing in Michigan.

| | | | |
|-------|----|----|---|
| 3,284 | do | do | persons residing in the state of New York and the New England states. |
| 360 | do | do | persons residing in different parts of Europe. |
| 121 | do | do | persons residing in Canada. |
| 9 | do | do | residents of Ohio. |
| 86 | do | do | estates of deceased persons. |
| 89 | do | do | residents of Wisconsin. |
| 34 | do | do | persons whose residence is unknown to me. |

5,000

After mature deliberation upon this subject, the directors have desired me to state to the committee, that in their opinion it is irrelevant, not sanctioned by usage in similar cases, and that it interferes with the private rights of the stockholders, and that they, therefore, protest against the right of the committee to demand the information sought. Having performed this duty to the stockholders, I very cheerfully furnish a list of their names.

List of Stockholders of the Bank of Michigan.

| | Shares. |
|------------------------------|---------|
| James Abbott, | 58 |
| John Agnew, | 12 |
| Isaac Adams, | 15 |
| American fur company, | 59 |
| Josiah Allis, | 15 |
| H. B. Brevoort, | 18 |
| Elizabeth Browning—deceased— | 2 |

Carried forward,

SENATE DOCUMENTS.

877

Brought forward,

| | Shares. |
|--------------------------|---------|
| Justus Burdick, | 45 |
| George Bliss, | 829 |
| E. A. Brush, | 35 |
| Bank of Michigan, | 94 |
| Barnabas Campau, | 25 |
| Lewis Cass, | 350 |
| Richard Clarke—deceased— | 51 |
| Alexander Cumming, | 10 |
| J. Chapman, | 200 |
| Collins, Rees & Co., | 1 |
| Gary & Co., | 1 |
| McCurdy & Aldrich, | 3 |
| Peter J. Desnoyers, | 30 |
| H. L. Dousman, | 89 |
| Jonathan Dwight, | 446 |
| Henry Dwight, | 311 |
| Edmund Dwight, | 844 |
| Thomas Dwight, | 281 |
| Jonathan Dwight, jr., | 200 |
| William Dwight, | 140 |
| Francis Dwight, | 77 |
| Benjamin Day, | 35 |
| L. J. Daniels, | 15 |
| Nathan Dickinson, | 15 |
| Robert A. Forsyth, | 75 |
| Hannah Gray, | 10 |
| James K. Guernsey, | 20 |
| Daniel Goodwin, | 20 |
| James Horner, | 4 |
| Warren Hill, | 42 |
| H. W. Haydeck, | 5 |
| James Hall, | 4 |
| D. G. Jones, | 15 |
| J. F. Joy, | 5 |
| B. B. Kercheval, | 13 |
| Sidney Ketchum, | 45 |
| R. Kingsland & Co., | 7 |
| Darius Lamson, | 8 |
| B. F. Larned, | 40 |
| Lee, Dater & Miller, | 7 |
| Sarah Macomb, | 30 |
| A. T. McReynolds, | 51 |
| Johnson Niles, | 15 |
| Oliver Newberry, | 20 |

Carried forward,

Brought forward,

| | Shares. |
|------------------------|---------|
| Geo. F. Porter, | 5 |
| Epaphroditas Ransom, | 10 |
| David Stone, | 7 |
| H. R. Schoolcraft, | 55 |
| Henry Stanton, | 62 |
| Sarah W. Sibley, | 1 |
| James Smith, jr., | 10 |
| Theodore P. Sheldon, | 10 |
| Thomas C. Sheldon, | 50 |
| David Stuart, | 121 |
| Henry K. Sanger, | 60 |
| Spear & Patton, | 4 |
| C. C. Trowbridge, | 125 |
| Joseph W. Torry, | 16 |
| P. R. Toll, | 10 |
| Isaac J. Ullman, | 10 |
| Henry Whiting, | 45 |
| H. V. Wilson, | 9 |
| J. L. Whiting, adm'r., | 1 |
| Isaac W. Willard, | 5 |
| James Walker, | 8 |
| John Ward, | 70 |
| William G. Ward, | 71 |
| | <hr/> |
| Shares, | 5,000 |

Question 22. What kind of funds have the collectors of tolls paid into the bank, for receipts on the central railroad?

Answer. By Mr. Sibley, teller. Notes of the banks in New England, New York, and of the neighboring states, but principally of the banks of Michigan.

Question 23. What kind of funds has the treasurer deposited to the credit of the delinquent tax fund? If any in eastern, what proportion?

Answer. By the same. It is impossible for me to state what kind of funds have been deposited, as I have always received and credited as *cash*, all notes, (in good credit,) of the neighboring states, and of Canada. A small proportion of this was in eastern notes and checks.

Question 24. What premium has the bank charged for drafts at sight on New York, during the year 1839; and what for time drafts, having from three to four months to run to maturity?

Answer. By Mr. Sanger, cashier. For sight drafts, two per cent; for drafts having three or four months to run, the rate has been less in proportion to the time, and in many instances for such drafts, no premium has been charged.

Question 25. Does the bank chiefly use its branch notes in the transactions of its daily business, and has it not so used those notes during the last year?

Answer. By the same. The bank is compelled by the charter to receive the branch notes in payment of debts. In the transaction of its daily business during the last year, for small note circulation, it uses them, but the large notes used, are always those of the parent bank. The proportions of each, I am unable to state.

Question 26. Has the bank at any time redeemed the notes of its branch at less than their par value; and if so at what rate?

Answer. By the same. It has sometimes done so, at a premium ranging from $\frac{1}{2}$ to 1 per cent; but I will add, that it has also redeemed them at par.

Question 27. Will the bank be pleased to assign their reasons for refusing to permit K. Pritchette, Esq., to investigate its affairs?

Answer. By Mr. Trowbridge. Mr. Pritchette came into the bank on the 28th October last, and asked me whether I considered this bank subject to the investigation of the bank commissioner. I replied that "we were advised by our counsel, that it was not," but that we would give him any information he might desire. He then requested me to put my answer in writing. I accordingly gave him a note, *protesting against the right* of investigation, but proffering the necessary facilities for it. No information was requested, or demand made. A copy of the note alluded to, is subjoined.

(Copy.)

BANK OF MICHIGAN, }
Detroit, 28th October, 1839. }

KINTZING PRITCHETTE, Esq., Bank Commissioner:

DEAR SIR—In reply to your inquiry of this morning, I beg leave to state that the bank of Michigan is not considered subject to the provisions of any law of this state, which authorizes the bank commissioner to examine into its affairs.

At the same time, it will give me great pleasure to furnish you, as an individual, any information on the subject which you may desire.

Very respectfully, yours,
(Signed,) C. C. TROWBRIDGE,
President.

The following interrogatories were put by Mr. Gidley:

Question 1. What has been the average indebtedness to the state of Michigan during the last year?

Answer. By Mr. Rawson, book keeper. The average in-

debtedness of the bank to the state during the past year has been nothing; on the contrary the average indebtedness of the state to the bank for the last ten months, taking as the basis of my answer the amount of state drafts held by bank, has been one hundred and eighty-one thousand thirty-five dollars and seventy-two cents.

Question 2. How much money has been received from the state as discount or interest upon the state drafts sold to the bank under the contract made with the auditor general in April, 1839.

Answer. By the same. The bank has received of the state, as discount upon the drafts purchased under the state contract, six thousand seventy-seven dollars and thirty cents, but in order to meet the demands of the state it was necessary to get these drafts discounted elsewhere, and in doing so the bank paid for discount and expenses, five thousand six hundred and fifty-two dollars and twenty-seven cents, leaving a direct gain to the bank for discount and interest of four hundred and twenty-five dollars and three cents.

Question 3. Has the bank been used for the disbursement of the government funds since the suspension of specie payments in May, 1837, and if so, what amount of public money has been so disbursed through the bank?

Answer. By the same. Although the bank ceased to be a deposite bank according to the law of 1836, as soon as specie payments were suspended in 1837, it has nevertheless been used as such under the general powers of the treasury department, by all the disbursing officers who had previously kept their accounts in it, and by reference to the accounts of these officers, I find that since May 1837, the sum of one million seven thousand eight hundred and sixty-two dollars has been so disbursed through the bank, by nearly twenty public officers.

Question 4. Can you state without inconvenience the amount of cash operations of the bank for the year 1836, 1837, 1838 and 1839?

Answer. By the same. The amount of cash operations of the bank for the year 1836, was eighteen millions, nine hundred and ninety-two thousand one hundred and eighty-five dollars. For the year 1837, eleven millions eight hundred and seventy-four thousand seven hundred and thirty-nine dollars. For the year 1838, three millions eight hundred and forty-four thousand and fifty-three dollars; and for the year 1839, six millions five hundred and sixty-three thousand four hundred and thirty-six dollars. This answer is given from the footings of the cash account, and includes money actually received and paid, bills of exchange purchased and sold, bills discounted and renewed, and all other operations of the bank.

Question 5. What is the cause of the present suspension of specie payments?

Question 6. Is the present suspension in any way connected with that of 1837?

Answer. By Mr. Trowbridge. For answers to these two interrogatories I respectfully refer to my reply to general question No. 4, by Mr. Turner.

(See page 390.)

Question 7. Do you think the bank can now with safety resume specie payments, and what in your opinion would be the effect of such a measure upon the business of the country?

Answer. By the same. In reply to the first part of this interrogatory I answer,

1st. Michigan is deeply indebted to the eastern states for merchandize imported, and will demand a large amount of coin before the wheat crop of 1839 can be made available.

2d. It is an axiom in finance, verified by the experience of every day, that two unequal currencies cannot exist together. The less valuable, if at all tolerable, will, for the purposes of general trade take place of the better, which will be gathered up for remittance; and the degree of facility with which this latter can be converted into the description of funds needed for foreign payments, will constitute an essential element of its superior value.

The state of Illinois is under suspension; exchange on New York at Chicago, is twenty per cent, premium, and the circulation of her state bank is two and a half millions of dollars.

Indiana, although nominally a specie paying state, has deliberately adopted such a system of circulation, by throwing the paper of the numerous branches of its state bank into points remote from the places of redemption, that with her bad roads and the inaccessibility of her banks, they might as well, for the purpose under consideration, be under suspension.

Ohio is similarly situated. The balance of trade is against her. Her banks pursue a plan of interchanging notes with each other, and of issuing checks in the similitude of bank notes upon some distant bank in another state, payable in the bank notes of that state, which operates as well for them as the plan of Indiana, just mentioned; and exchange on New York is sold at Cincinnati at twelve per cent, premium. And, with regard to New York, which is more favorably situated with respect to exchanges, it will suffice to state, that much of her paper is from 2½ to 4 per cent discount, in her principal city, and that we found it impracticable, in many instances, before the late suspension, to redeem our notes with those of that state. It is also to be considered, for this is an important fact, that Detroit is one of the most exposed points in the northern states. Being on the great thoroughfare to the east, it is easy

to see, that any traveler from the north and west will gladly leave his coin behind him, if he can obtain for it the notes of such Detroit banks as will give him the coin as he passes through the town. This will save him a part of his trouble and risk at least—and this is the common practice. Even now, the notes of the bank of Michigan are sold at Chicago at a premium of four to eight per cent above the currency of that state. These things being admitted, it follows of course, that with such odds against the banks in Detroit, it will be difficult to maintain specie payments to the full extent of all demands, before our crops, which constitute the only legitimate basis of exchange, can be got to market. Much, however, may be done to hasten the resumption of specie payments by a spirit of forbearance on the part of the business men in community. It is already in evidence before your honorable body, that this bank has, in little more than three years, gradually reduced its indebtedness to the public, from nearly four millions of dollars to a little more than half a million. I need hardly add, that the collection of a small part of the sum remaining due to it by the citizens of Michigan will enable it to resume its former standing and regain the high credit which for twenty years it has enjoyed.

In reply to the second part of the interrogatory, I will state that the probable effect of *immediate* resumption would be the withdrawal from circulation of the notes of the bank now afloat, the hoarding of the coin, or sending it out of the state, and the substitution (as a currency,) of the notes of banks in other states, which pay no tax here, are not liable to legislative restriction, and whose failure must inevitably throw a loss upon our own community, without the possibility of a remedy. I need not say to such of the committee as lived in Michigan in the years 1837 and 1838, that the people will have a currency even though it be the (to our authorities,) irresponsible issues of other states.

On motion, the committee adjourned to meet at No. 50, American hotel, on Monday, the 3d instant, at 2½ o'clock.

Monday, February 3, 1840.

The committee met according to adjournment, at No. 50, American hotel. Present, Messrs. Edmunds, Gidley, Larue, Turner, Brown and Champlin.

Mr. Steele and Mr. Wickware appeared before the committee, and being sworn, the following question was propounded to them by Mr. Turner:

Question 1. Have you been furnished by the bank of Michigan, or by the officers of this institution, either directly or

indirectly, with funds to carry on the brokerage business; or, have you at any time, acted as the agent of this bank, in redeeming their notes, at less than par value?

The interrogatory was answered by both individuals in the negative.

On motion, a committee of one from the senate, and two from the house, was appointed for the purpose of drafting questions to be put to the Farmers' and Mechanics' bank. The committee named, was Mr. Edmunds, on the part of the senate, and Messrs. Turner and Brown, on the part of the house. After which, the committee adjourned, to meet at the Farmers' and Mechanics' bank, at 6½ o'clock, on Tuesday, 4th instant.

—
Tuesday, February 4, 1840.

The committee, according to adjournment, met at the Farmers' and Mechanics' bank.

Present, Messrs. Edmunds, Witherell, Larue, Turner, Brown and Stockton.

The chairman of the committee, Mr. Edmunds, read the joint resolution of the senate and house of representatives, passed on the 21st of January last, authorizing the committee to investigate the affairs of the bank of Michigan, and the Farmers' and Mechanics' bank of Michigan, &c. After which he administered an oath to the officers of the bank. Mr. Turner read the following interrogatories, prepared by the committee, appointed for that purpose:

I. What is the total amount of assets of the bank?

II. What amount of the assets of the bank is comprehended under the head of loans on personal security?

Question 1. What is the responsibility of the makers and endorsers which constitutes the item, called "loans on personal security?"

Question 2. What amount of these loans on personal security is due by directors and stockholders?

Question 3. In what sums has it been loaned to each director and stockholder? Please state how many loans have been made to this class of borrowers, and in what amounts to each?

Question 4. How have they, (directors and stockholders,) secured the sums loaned to them?

Question 5. What length of time have such sums, loaned to directors and stockholders, been due?

Question 6. Are any of these loans to directors and stockholders under protest? If so, to what amount?

Question 7. What steps have been taken by the bank for the recovery of loans on personal security?

Question 8. Have suits been commenced, and if so, for what amount; and for what amount has judgment been obtained?

Question 9. What amount of loans on personal security was made to members of the last legislature, and if any, how secured?

Question 10. What is the whole number of individuals to whom the loans on personal security has been made, and how many of them are residents of this state, and how many of them are merchants?

III. Real estate securities.

Question 1. What amount of the assets of the bank is comprehended under the head of "real estate securities?"

Question 2. Will the bank be pleased to furnish the committee a schedule of the real estate pledged to the bank, and held as security, specifying the quantities, and in what counties the same is situated, and a description of the same?

Question 3. To what amount have mortgages been given to the bank?

Question 4. Where is the property mortgaged, located?

Question 5. Do the mortgages describe all the property they purport to cover?

Question 6. At what valuation have debtors to the bank, mortgaged their real estate in the city of Detroit; please specify the number of lots and the improvements thereon?

Question 7. Has any of the real estate security been hypothecated by the bank; if so, to whom or what company, and what amount have they, the bank, received, or are to receive, on securities so pledged?

IV. Banking house and furniture.

Question 1. What was the cost of the lot on which the banking house is built?

Question 2. When was it purchased?

Question 3. What was the cost of the banking house?

Question 4. What was the cost of the furniture of the banking house? Please exhibit the bills for both house and furniture.

V. Due from banks.

Question 1. Does the bank include among its assets, any amounts due from banks? if so, what banks are indebted to the Farmers' and Mechanics' bank of Michigan, under this head? Please mention their names and the amount due from each.

Question 2. Are they now solvent and redeeming their liabilities?

Question 3. How did this indebtedness arise?

VI. Bank notes on hand.

Question 1. What amount of bank notes has the bank on hand?

Question 2. Are these bank notes, eastern bank notes, or Michigan chartered bank notes, or unchartered bank notes, or checks, small drafts, or due bills of individuals; and what amounts are there under each head?

VII. Specie, gold and silver.

Question 1. What amount of the assets of the bank is comprehended under this head?

Question 2. Is the gold and silver specified, the bona fide property of the bank?

(a) Profit and loss.

Question 1. Please exhibit to the committee, a statement of the profit and loss account of the bank; showing what constitutes the debit, and what the credit side of this account.

(b) Due the United States.

Question 1. Is the bank indebted to the United States? If so, in what amount; when is the debt payable, and where?

Question 3. What is the security? state the security.

(c) Due banks.

Question 1. Is this bank debtor to other banks? and to what amount?

Question 2. How did this debt accrue?

Question 3. Has the Farmers' and Mechanics' bank of Michigan issued from their counter, their own notes, signed by their own officers, and stamped transversely, with the words, "payable at their branch at St. Joseph," when countersigned, or words to the same amount? and by what authority was this done?

(d) Post notes on time.

Question 1. What is the amount of post notes issued by the bank?

Question 2. What amount remains on hand?

Question 3. Are any of these post notes due, and when due?

(e) Drafts on time.

Question 1. What is your whole amount of drafts on time?

Question 2. On whom were these drafts drawn?

Question 3. How many of them have been drawn by the bank? Please state their number and the amount of each.

Question 4. By what authority has the bank executed these

drafts? Are they based upon funds deposited to meet them, or drawn upon their credit alone?

Question 5. Are all the drafts which the bank has executed, credited by them in their answer to question first under this head, as a charge against themselves?

Question 6. What amount of drafts are out?

Question 7. What amount of drafts have been protested and returned?

Question 8. What amount of drafts have been protested and not returned?

(f) Deposites.

Question 1. What amount of funds has the bank on deposit?

Question 2. Who are the depositors—citizens of this state, or of other states?

Question 3. Does the bank pay interest to depositors, for deposits—if yea, at what rate?

Question 4. Has the bank, or any of its officers for the bank, within the last year, negotiated a loan of specie with any individual or banking institution, within this or any other state? If yea, to what amount, on what terms, and when was the negotiation completed?

Question 5. When the bank suspended on the 28th October was the act in consequence of a deficiency of coin, or other funds, to meet their outstanding circulation, or did it arise from other causes? Please state the causes.

A copy of the above interrogatories was furnished to the officers of the bank, to be answered at the next meeting of the committee.

Mr. Welles, cashier of the bank, furnished the committee the following statement:

Statement Farmers' and Mechanics' bank of Michigan, 1st February, 1840.

Resources.

| | |
|---|--------------|
| Loans on personal security, a large amount of which is collaterally secured by real estate, | \$550,126 52 |
| Bonds and mortgages, | 51,850 18 |
| Real estate taken in payment of debts, | 15,907 73 |
| Banking house, | 9,611 18 |
| Stocks, | 8,875 00 |
| Contingent expenses, | 1,308 47 |
| Due from banks, viz: | |
| Branch bank, | \$51,728 88 |

Carried forward,

\$

\$

| | | |
|---------------------------------|-----------|---------------------|
| Brought forward, | \$ | \$ |
| Other banks, | 7,258 98 | |
| | <hr/> | 58,987 86 |
| Branch redeemed, taken in depo- | | |
| site, &c., | 38,484 06 | |
| Other solvent banks, | 4,982 25 | |
| | <hr/> | 43,466 25 |
| Specie, | | 15,686 24 |
| | | <hr/> |
| | | <u>\$755,819 43</u> |

Liabilities.

| | | |
|---|-------------|---------------------|
| Capital stock paid in, | | \$400,000 00 |
| Profit and loss account, | | 35,783 80 |
| Dividends unclaimed, | | 3,522 00 |
| Due to the United States, | | 103,969 24 |
| Due to banks, viz: | | |
| On time, | \$84,791 59 | |
| On demand, | 3,492 85 | |
| | <hr/> | 88,284 44 |
| Drafts on time, | | 10,000 00 |
| Special deposits applicable to the payment of | | |
| debts due the bank, | | 71,948 20 |
| Individual deposits, | | 20,811 75 |
| Circulation, viz: | | |
| Notes payable on demand, | \$20,731 00 | |
| Post notes matured, | 769 00 | |
| | <hr/> | |
| Entire circulation, | | 21,500 00 |
| | | <hr/> |
| | | <u>\$755,819 43</u> |

On motion, the committee adjourned to meet at No. 50, American hotel, on Thursday afternoon, the 6th inst., at half past 2 o'clock, and at the Farmers' and Mechanics' bank at half past 6 o'clock in the evening.

American Hotel, February 6.

The committee met according to adjournment. Present, Messrs. Turner and Brown. There not being a quorum, the committee adjourned to meet at the Farmers' and Mechanics' bank, according to previous arrangement.

The committee met at the Farmers' and Mechanics' bank, according to adjournment. Present, Messrs. Edmunds and Turner.

The following answers were given by Mr. Welles, cashier,

to the interrogatories read by Mr. Turner at the last meeting of the committee.

Question 1. What is the total amount of assets of the bank?

Answer. Seven hundred and fifty-five thousand eight hundred and nineteen dollars and forty-three cents.

Question 2. What amount of the assets of the bank is comprehended under the head of loans on personal security?

Answer. Five hundred and fifty thousand one hundred and twenty-six dollars and fifty-two cents.

Question 1. What is the responsibility of the makers and endorsers which constitutes this item, called loans on personal security?

Answer. The responsibility of the makers and endorsers of the bills held by the bank, is generally ample for their security, although in some cases it has necessarily become impaired by the pecuniary changes and reverses which the country has sustained. It is probably safe to assert, that under any circumstances, the losses upon this debt cannot exceed the *profits* which have accumulated, and are actually possessed by the bank.

Question 2. What amount of these loans on personal security, is due by directors and stockholders?

Answer. The sum of thirty-four thousand nine hundred and ninety dollars.

Question 3. In what sums has it been loaned to each director and stockholder? Please to state how many loans have been made to this class of borrowers, and in what amounts to each.

Answer. One stockholder, holding stock to the amount of \$1,850 00, is indebted in the sum of \$250 00. A second, holding \$50 00 of stock, owes \$3,000 00. A third, holding \$750 00 of stock, owes \$5,000 00. A fourth, holding \$7,000 00 of stock, owes \$751 00. A fifth, holding \$2,250 00 of stock, owes \$5,162 00. A sixth, holding \$3,000 00 of stock, owes \$4,227 00. A seventh, holding \$34,150 00 of stock, owes \$5,000 00. An eighth, holding \$950 00 of stock, owes \$4,000 00. A ninth, holding \$50 00 of stock, owes \$2,000 00. And a tenth, holding \$750 00 of stock, owes \$5,600 00.

Of these stockholders, four are directors, whose aggregate indebtedness amounts to \$16,000. One of them resides in the state of New York, whose proportion of the debt is \$5,000 00. Another stockholder, not a director, resides in Illinois; his proportion is \$5,162 00. And a third, not a director, resides in Wisconsin; his proportion is \$4,227 00.

In brief. The holders of \$48,100 00 of the stock, are indebted in the sum of \$34,990 00; and the holders of \$351,900 00 of the stock, are not the borrowers of a dollar,

Question 4. How have they (directors and stockholders,) secured the sums loaned to them?

Answer. They are secured by the obligations of the makers and endorsers, by real estate, and by pledges of the stock owned by the debtors respectively.

Question 5. What length of time have such sums, loaned to directors and stockholders, been due?

Answer. The sum of \$3,000 00 was due 12th May, 1838; the sum of \$3,062 00 was due 28th July, 1839; the sum of \$2,100 00 was due 6th September, 1839; the sum of \$4,227 00 was due 17th December, 1839; the sum of \$5,000 00 was due 11th November, 1839; and the sum of \$17,601 00 is not due.

Question 6. Are any of these loans to directors and stockholders under protest? If so, to what amount?

Answered in the answer to the preceding interrogatory.

Question 7. What steps have been taken by the bank for the recovery of loans on personal security?

Answer. The bank has resorted to repeated applications to the debtor for payment, to the foreclosure of the mortgages held as collateral security, and to suits at law against makers and endorsers of the paper.

Question 8. Have suits been commenced? And if so, for what sum has judgment been obtained?

Answer. Suits have been commenced upon bills amounting to \$151,170 48, of which, \$60,125 20 are in judgment. Many of these judgments have been delayed in the collection, from time to time, upon the urgent application of the debtor for lenity; but few cases have occurred wherein sales of personal property have been coerced, and in no single instance since the organization of the bank, has the property of a debtor, either real or personal, been sacrificed. In most cases where the debt is mature, and suits have been commenced, the delay has grown out of the desire of the bank directors to increase the securities, to collect by instalments, extending the time for payment through several terms, and to endeavor by mild means and proper indulgence, to avert the sacrifices that necessarily result from harsh measures.

Question 9. What amount of loans on personal security was made to members of the last legislature? and if any, how secured?

Answer. But one loan to a member of the last legislature is now recollected; the sum was \$1,000, secured by endorsers, and a pledge of an allowed estimate upon a contract with the state, which has since been paid and the note canceled.

Question 10. What is the whole number of individuals to whom the loans on personal security have been made, and

how many of them are residents of this state, and how many of them are merchants?

Answer. The number is two hundred and sixty-seven, besides endorsers, of whom two hundred and thirty-one are residents of this state, and forty-eight are merchants.

III. Real estate securities.

Question 1. What amount of the assets of the bank is comprehended under the head of real estate securities?

Answer. The amount properly embraced under this head, is \$51,850 18, but as a much larger sum is held as collateral security to loans properly coming under the head of personal securities, reference is made to the annexed schedule, given in answer to, and in compliance with the requisition contained in the next interrogatory.

Question 2. Will the bank be pleased to furnish the committee a schedule of the real estate pledged to the bank and held as security, specifying the quantities, and in what counties, the same is situated, and a description of the same?

*Note—*For the answer to this, reference is made to the annexed schedule.

SENATE DOCUMENTS.

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| | | | | | | | | |
|---|--|------------|------------|------------|-----------|------------------------------------|----|-----------|
| 3 | acres on Detroit river, city. | do | Wisconsin. | do | 4,000 00 | Large dwelling, new. | do | 7,500 00 |
| 2 | Large property, hydraulic, lots, Niles. | Michigan, | do | Milwaukee, | 4,452 00 | Unknown, | do | 10,000 00 |
| | Flouring mills and farm, | do | do | Berrien, | 3,135 00 | Large brick block, | do | 15,000 00 |
| | Property in Monroe, | do | do | Monroe, | 3,306 00 | Mills, &c., | do | |
| | Same, | do | do | do | 2,000 00 | Unknown, (foreclosed) | do | |
| | Same, | do | do | do | 1,000 00 | do | do | |
| | Farm, Tecumseh, 320 acres, | do | do | do | 1,000 00 | do | do | |
| | do Toledo, 120 do | Ohio, | do | Lena-wee, | 6,000 00 | Farm improvements, buildings, &c., | do | 10,000 00 |
| | Lots, do | do | do | Lacasa, | | | do | 2,500 00 |
| | Lena-wee county property, | Michigan, | do | do | | | do | |
| | Detroit city, one lot, | do | do | Lena-wee, | 4,700 00 | Brick dwelling and other imp'ts, | do | 12,000 00 |
| | Large block, Detroit, | do | do | Wayne, | 6,000 00 | Large brick block, | do | 20,000 00 |
| | Lot, Niles, | do | do | do | 4,000 00 | Valuable buildings, | do | 50,000 00 |
| | Lot, Detroit city, | do | do | Berrien, | 1,000 00 | Dwelling house, | do | 4,000 00 |
| | Improved farm, Washburn, | do | do | Wayne, | 10,000 00 | Brick block, | do | 15,000 00 |
| | 240 acres. | do | do | Washburn, | 1,733 00 | Farm improvements, | do | 5,000 00 |
| | Lot, city of Detroit, | do | do | Wayne, | 2,000 00 | Dwelling house, | do | 4,000 00 |
| | Flouring mills, | do | do | Oakland, | 4,000 00 | | do | 5,000 00 |
| | Improved property, Green Bay. | Wisconsin, | do | Brown, | 5,000 00 | Dwelling house, &c., | do | |
| | Same, | do | do | do | 5,000 00 | do | do | |

Many of the mortgages held by the bank are in the hands of, attorneys for foreclosure, and registers for record, and cannot, therefore, be described; they are consequently omitted in the schedule.

Question 3. To what amount have mortgages been given to the bank?

Answered in schedule.

Question 4. Where is the property mortgaged, located?

Answered in schedule.

Question 5. Do the mortgages describe all the property which they purport to cover?

Answer. They do.

Question 6. At what valuation have debtors to the bank mortgaged their real estate in the city of Detroit? Please specify the number of lots, and the improvements thereon.

Answer. Reference is made to the schedule.

Question 7. Has any of the real estate security been hypothecated by the bank? If so, to whom, or what company, and what amount have they, the bank, received, or are to receive, on securities so pledged?

Answer. None of the securities of the bank have either been hypothecated or transferred.

IV. Banking house and furniture.

Question 1. What was the cost of the lot on which the banking house was built?

Answer. Fourteen hundred and fifty dollars.

Question 2. When was it purchased?

Answer. The principal lot in 1831, and a small addition in 1832.

Question 3. What was the cost of the banking house?

Answer. The banking house, with sundry repairs made subsequently to its erection, cost the sum of \$8,161 18.

Question 4. What was the cost of the furniture of the banking house? please exhibit the bills for both house and furniture.

Answer. The original cost of the furniture is not precisely known, but its present value is estimated at 150 dollars. The bills are exhibited herewith, together with the contracts and bills for the materials and erection of the banking house.

V. Due from banks.

Question. 1. Does the bank include among its assets, any amounts due from banks? If so, what banks are indebted to the Farmers' and Mechanics' bank of Michigan, under this head? Please mention their names, and the amount due from each.

Answer. The following is a list of banks indebted to the Farmers' and Mechanics' bank, in the sums set opposite their names:

| | |
|---|------------|
| Albany city bank, | \$6,194 80 |
| Bank of River Raisin, | 25 54 |
| Utica branch bank, | 8 78 |
| Buffalo city bank, | 11 28 |
| Farmers' bank of Homer, | 478 00 |
| Manufacturers' bank at Bellville, | 1 50 |
| Shoe and Leather dealers' bank, Boston, | 8 26 |
| Phoenix bank, | 80 19 |
| Bank of Niles, | 428 25 |
| Commercial bank of Albany, | 12 98 |
| Commercial bank Lake Erie, | 2 50 |
| Cleveland insurance company, | 4 50 |
| Tradesman's bank, | 3 00 |
| Cleveland bank, | 1 50 |
| | <hr/> |
| | \$7,258 98 |

Question 2. Are they now solvent and redeeming their liabilities?

Answer. Four of them, the aggregate of whose indebtedness as above exhibited, is \$931 10, have suspended payment, but are generally supposed to be solvent, the others are solvent and continue to redeem their liabilities in specie.

Question 3. How did this indebtedness arise?

Answer. The indebtedness accrued in the ordinary course of business.

VI. Bank notes on hand.

Question 1. What amount of bank notes has the bank on hand?

Answer. The sum of \$4,982 25.

Question 2. Are the bank notes, eastern bank notes, or Michigan chartered bank notes, or unchartered bank notes, or checks, small drafts, or due bills of individuals, and what amount are there under each head?

Answer. The bank notes on hand, consist of the following items, viz:

| | |
|-----------------------------|----------|
| Eastern bank notes, | \$8 25 |
| Bank of Michigan, | 3,118 00 |
| Bank of St. Clair, | 800 00 |
| Michigan insurance company, | 126 00 |
| Ohio, Indiana and Illinois, | 428 00 |
| Farmers' bank of Homer, | 382 00 |
| Bank of Oakland, | 37 00 |
| Genesee county bank, | 2 00 |
| Marshall, | 3 00 |

Carried forward,

\$

| | | |
|----------------------|-------|-------------------|
| Brought forward, | | \$ |
| Bank of Constantine, | 2 00 | |
| Bank of Ypsilanti, | 6 00 | |
| Calhoun county bank, | 38 00 | |
| State bank, | 32 00 | |
| | | <hr/> |
| | | <u>\$4,982 25</u> |

VII. *Specie, gold and silver.*

Question 1. What amount of the assets of the bank is comprehended under this head?

Answer. The sum of \$15,688 24.

Question 2. Is the gold and silver specified, the bona fide property of the bank?

Answer. It is.

(a) *Profit and loss.*

Please exhibit to the committee a statement of the profit and loss account of the bank, showing what constitutes the debit and what the credit side of this account.

Answer. The credits to this account are made up of discount upon notes not due, interests upon notes paid, interest upon bonds and mortgages paid, and premiums upon bills of exchange. The debits cover the current expenses of the bank, state, county and town taxes, premiums upon bills of exchange, and losses arising from bad debts.

(b) *Due the United States.*

Question 1. Is the bank indebted to the United States? If so, in what amount? When is the debt payable, and where?

Answer. The bank is indebted to the United States in the sum of \$108,989 24, which is payable on demand at the treasury.

Question 2. What is the security? State the security.

Answer. The debt due the United States, is secured by bonds of individuals not residing, except in a single instance, within this state. The security is entirely satisfactory to the treasury department.

(c) *Due banks.*

Question 1. Is this bank debtor to other banks? And to what amount?

Answer. The Farmers' and Mechanics' bank is indebted to other banks for balances of current account, accruing in the ordinary course of business, and payable on demand, in the sum of \$3,492 85. It is also indebted to other banks in another state, for loans upon time, procured for the purpose of redeeming its liabilities to the public in the sum of \$84,791 59.

Question 2. How did this debt accrue?

Answered in the answer to the preceding interrogatory.

Question 3. Has not the Farmers' and Mechanics' bank of Michigan issued from their counter, their own notes, signed by their own officers, and stamped transversely with the words "Payable at their branch at St. Joseph, when countersigned," or words to the same amount? And by what authority was this done?

Answer. The Farmers' and Mechanics' bank has frequently paid out at its counter, such of the issues of its branch bank at St. Joseph, printed or engraved in the manner specified in the interrogatory, as it had received on deposit and in payment of debts, and refer the committee to the 11th section of an act of the legislative council, entitled "An act to establish branches of the bank of Michigan, Farmers' and Mechanics' bank of Michigan, and bank of River Raisin," for its authority in so doing.

(d) Post notes on time.

Question 1. What is the amount of post notes issued by the bank?

Answer. Forty-six thousand dollars.

Question. What amount remains on hand?

Answer. The sum of \$45,231 00 is now held by the bank, redeemed, leaving the sum of \$769 00 still in circulation; all of which are matured.

Question. Are any of these post notes due? And when due?

Answered in reply to the foregoing interrogatory.

(e) Drafts on time.

Question 1. What is your whole amount of drafts on time?

Answer. Ten thousand dollars.

Question 2. On whom were these drafts drawn?

Answer. Upon banks in another state with which we correspond.

Question 3. How many of them have been drawn by the bank? Please state their number, and the amount of each.

Answer. Two drafts of \$2,500 each, and one of \$5,000.

Question 4. By what authority has the bank executed these drafts? Are they based upon funds deposited to meet them, or drawn upon their credit alone?

Answer. The first two were drawn under an arrangement with its correspondent in another state, for advances; the arrangement having no definite limit, was terminated at a point within the sum required; owing to the general depression in pecuniary matters, both drafts are under protest, and by arrangement with the holder, are to be taken up at the bank. The last

mentioned draft was drawn against a balance accruing from a current account exceeding the amount of the draft.

Question 5. Are all the drafts which the bank has executed, credited by them in their answer to question first under this head, as a charge against themselves?

Answer. They are.

Question 6. What amount of drafts are out?

Answer. Ten thousand dollars.

Question 7. What amount of drafts have been protested and returned?

Answer. None that are unpaid.

Question 8. What amount of drafts have been protested and not returned?

Answer. Five thousand dollars.

(f) *Deposites.*

Question 1. What amount of funds has the bank on deposit?

Answer. The sum of \$20,811 75.

Question 2. Who are the depositors—citizens of this state, or of others states?

Answer. The small sum to which the bank, by its policy of curtailment, steadily pursued for two years past, has reduced its deposits, comprises chiefly small balances due to its own stockholders, and to the citizens of other states accruing from the collection of notes.

Question 3. Does the bank pay interest to depositors? If yea, at what rate?

Answer. The bank does not pay interest to its depositors, excepting in a single case, for a small amount, for which it allows six per cent.

Question 4. Has the bank or any of its officers for the bank, within the last year, negotiated a loan of specie with any individual or banking institution within this or any other state? If yea, to what amount, on what terms, and when was the negotiation completed?

Answer. The bank has not to the recollection of its officers, made any loan of the character referred to in the interrogatory; the specie which it holds was received in payment of debts due to the bank, for the purchase of bills of exchange, in exchange for bank notes and on deposit, in the ordinary course of business.

Question 5. When the bank suspended on the 28th October, 1839, was the act in consequence of a deficiency of coin or other funds to meet its outstanding circulation, or did it arise from other causes? Please state the causes.

Answer. In reply to the foregoing interrogatory, the directors present to the committee a view of the discounted debt

due to the bank, and its liabilities to the public at different periods of time, commencing 1st July, 1836. On that day its liabilities, exclusive of balances due to other banks, amounted to the sum of \$2,082,863 36. In May, 1837, the date of the first suspension of cash payments by the banks throughout the Union, these had been reduced to \$801,898 46. In January, 1838, the period of its resumption, they had declined to \$625,558 88, and they now stand at \$156,280 99, of which sum, \$103,964 24, is due to the United States, \$52,311 75, for circulation, for deposits and for drafts drawn upon time. During the same period of time, the discounted debt of the bank has only been reduced \$212,545 07.

It appears, therefore, that although the bank has paid to the public since the 1st of July 1836, the sum of \$1,926,582 37, it has drawn from them during the same period only the sum of \$212,545 07.

Having submitted these remarks, they beg leave to decline any further expression of their views in reference to the causes of that suspension, but leave the committee to deduce such inferences as the facts may seem to justify.

On motion, the committee adjourned to meet at No. 50, American Hotel, to-morrow afternoon at half past 2 o'clock.

American Hotel, February 7.

The committee met according to adjournment. Present, Messrs. Edmunds, Larue, Turner and Brown.

The following resolution was offered by Mr. Turner, and passed:

Resolved, That the secretary of the committee be directed to notify Mr. Wm. Hale and Mr. Wm. Foster, to attend a meeting of the committee this afternoon.

Mr. Hale and Mr. Foster appeared before the committee, and being sworn, the following interrogatories were put to Mr. Hale by Mr. Turner.

Question 1. Have suits, to your knowledge, been brought against the bank of Michigan, upon any of their notes. If so, to what amount, and what the largest, and what the smallest sum sued for?

Answer. A number of suits have been commenced before a justice, against the bank upon their notes, but does not recollect their number, nor the aggregate amount of the bills. The largest sum in one suit is \$20 00 and costs, the smallest, \$1 and costs. The suits are for sums varying from one dollar to twenty dollars. There may have been thirty-five suits in all.

Question 2. Has judgment been obtained, and has the bank taken the stay of execution allowed by law, and if so, for what

length of time? Will you be good enough to state to the committee all you know in reference to the subject of the foregoing interrogatories.

Answer. Judgment has been obtained on said suits, and the execution stayed three months, the time allowed by the statutes. Knows nothing further material to the foregoing interrogatories.

The following question was put by Mr. Turner to Mr. Foster, to which he returned the answer in writing:

Question 1. Have you sold to the bank of Michigan, auditor general's warrants on the treasurer of the internal improvement fund? If so, to what amount, what time has been assumed upon them, what rate of interest was charged by the bank, what kind of funds was payment made in? If in the post notes of the bank, what time had they to run to maturity; were the post notes payable with or without interest; if payment was made in other funds, in what kind?

Answer. Your respondent begs leave respectfully to state, that some time in the month of August, he sold to the bank of Michigan, an estimate, (not a warrant,) for the amount of \$1,282 43, and received the sum of \$1,000 00 in post notes one year after date, *payable without interest*, and paid a premium of six per cent, to said bank for the same, and two hundred and five dollars, (\$205,) in branch bills at the same rate, making the amount received \$1,205 00.

That in the month of September last, your respondent sold a warrant for the amount of \$3,475 79, and received auditor general's warrants on the treasurer of internal improvement fund of the bank in return, one for the sum of \$721 97, the other, \$357 22, making the sum of \$1,079 19, leaving a balance of \$2,396 60, for which he, (your respondent, paid three per cent, for post notes at one year after date *without interest*, less \$300 00 in branch bills, for which he paid six per cent, leaving a balance of \$2,006 72, for which he received post notes payable one year after date *without interest*.

That some time in the month of January last he again sold to the bank, a warrant for the sum of \$357 22, for which he received bills of the bank, and for said bills he paid three and a half per cent.

(Signed,)

WILLIAM FOSTER,

Contractor on Clinton and Kalamazoo Canal.

The chairman of the committee, Mr. Edmunds, propounded the following question to Mr. Foster:

Question 1. Were these estimates purchased by the bank at your solicitation, and did you prefer this arrangement to holding the estimates of the state?

Answer. Your respondent would beg leave respectfully to state, that it was at the earnest solicitation of your respondent

that the cashier of the bank of Michigan was willing to make the purchase before mentioned, for the reason that there was a large amount of outstanding claims against the state, and it was a matter of uncertainty when these claims would be paid by the state. And your respondent was driven to this measure to enable him to pay the laborers employed by him on the canal; and it was considered a matter of accommodation to your respondent to make the before mentioned arrangement, as it was his only resource for relief.

The following question was put to Mr. Foster by Mr. Larue :

Question 1. Did you, at or before the time of selling these estimates to the bank of Michigan, apply to any other bank or banks, or individual or individuals, for the purpose of selling these estimates? And if so, what rates were you offered for them?

Answer. Your respondent would say, that he did apply to the president of the Farmer's and Mechanic's bank to sell these estimates and warrants, and he declined purchasing them at any rate. Also, he applied to several individuals who declined purchasing them at rates as favorable as they were afterwards sold to the bank of Michigan.

The following resolution was offered by Mr. Turner:

Resolved, That the secretary of the committee be directed to notify John Drew, of Detroit, and Abel Godard, of Ypsilanti, to meet the committee on Monday afternoon, the 10th instant, at half past two o'clock, at No. 50, American hotel, to answer any questions which may be put to them by said committee, touching the subject of their investigations of the bank of Michigan, and the Farmers' and Mechanics' bank of Michigan.

On motion of Mr. Brown, the committee adjourned to meet at the American hotel, No. 50, on Monday, the 10th instant, at half past two o'clock.

American Hotel, February 10.

The committee met agreeably to adjournment. Present, Messrs. Edmunds, Gidley, Larue, Turner, Brown and Stockton.

Mr. Drew appeared before the committee, and being sworn by the chairman, the following questions were put to him by Mr. Turner:

Question 1. State all you know relative to a transaction between the bank of Michigan, and Gilbert and Godard of Ypsilanti, in relation to a mortgage which the bank held upon the property of Messrs. Gilbert and Godard.

Question 2. Was the property in question sold under the mortgage?

Question 3. On the 3d of last December, or at any time, did the Messrs. Gilbert and Godard make arrangements with you for the redemption of the property? Please state the arrangement.

Question 4. Did you call upon the bank or any of its officers, and offer them the notes of the bank in payment of the mortgage, and was the same refused? And if so, state the reason assigned for the refusal.

Question 5. Please state the whole history of the transaction alluded to in the above interrogatories, fully, as if particularly interrogated thereto.

The questions having been read, and a copy of them furnished to Mr. Drew, time was allowed to him until two o'clock next day to prepare the answers. After which, on motion, the committee adjourned to meet at the same place to-morrow afternoon, at 2 o'clock.

—

No. 50, American Hotel, February 11, 1840.

Pursuant to adjournment the committee met at 2 o'clock. Present, Messrs. Edmunds, Gidley, Turner, Brown and Stockton.

Mr. Drew appeared before the committee and presented the following statement in answer to the interrogatories propounded to him yesterday by Mr. Turner:

Detroit, February 11, 1840.

To the Chairman of the Committee on Banks:

SIR—In answer to certain interrogatories in relation to an affair between John Gilbert and the bank of Michigan: John Gilbert, of Ypsilanti, owed the bank of Michigan \$6,874 89, as mentioned in a certificate of sale, for which he gave them, or E. P. Hastings, a mortgage on real estate in the village of Ypsilanti; which property was sold on said mortgage by the sheriff of Washtenaw county, and bid off by Mr. Lane, attorney of E. P. Hastings, at the above mentioned sum, which sale took place on the 16th of December, 1837.

Some time in October last, Mr. Abel Godard mentioned to me that John Gilbert owed the bank of Michigan a large amount, for which said Gilbert gave a mortgage on the above described property, which was sold as above mentioned; and that the day of redemption of said property expired on the 16th day of December, 1839. Subsequent to this sale, A. Godard became a purchaser of an undivided interest in said property and was deeply interested. He, said Godard, wished me to purchase said property and arrange with the bank of Michigan and take up said certificate of mortgage sale, and give them the

refusal of said property for a limited time, which I agreed to do, provided I could arrange with the bank of Michigan.

I called on the president of the bank of Michigan sometime in the month of October last, and inquired as to the nature of said amount and mortgage certificate of sale, stating at the same time that I wished to purchase said certificate, provided I could arrange with him. I then offered to pay him as follows: a note drawn by J. O. & H. Smith, of Cleveland, Ohio, payable on the 1st of November, 1840, at the bank of Michigan, amount \$5,000 00, with interest from the 29th of August last; the balance to be paid in cash. Said Trowbridge said he could do nothing in the matter, but would submit it to the board of directors, which was to meet that, or the next day following, mentioning at the same time that Gilbert had owed the bank for a number of years, and that they ought to have their pay. A few days after, I met Mr. Trowbridge, near the museum building; he said that they had come to the conclusion to take the note above mentioned, and the balance in cash, at the same time to hold said certificate until said note was paid. Nothing more said in the matter.

At or about the 1st of November, I mentioned to Mr. Godard the propriety of his offering the bank the amount of said note in their post notes, deducting the interest, and the balance in current funds. Afterwards, Mr. Godard said that he had an interview with Mr. Sanger, but could effect nothing with him in the matter. About the last of November or first of December, I made an arrangement with Mr. Wesley Truesdail, of the bank of St. Clair, to furnish me with the whole amount, in notes of the bank of Michigan, said amount, interest included, amounted to about \$8,250 00, which was in readiness.

Said gentleman, previous to this, went to said bank and offered them, I think, a bank acceptance at thirty days; this they declined, saying that they could take nothing except what would answer Mr. Dwight in Massachusetts. In reply, he said they could not refuse coin. After this (same day) I had an interview with the same gentleman, and learned from him what had transpired between him and the bank. Same day I called on said Trowbridge and said there was something about this Gilbert matter I could not understand, and it occurred to me that they wanted the property and not the money. I then asked said Trowbridge if they would take their own notes, deducting the rate of exchange on the east. This he declined, saying the bank had sold the certificate of sale to a Mr. Dwight of Massachusetts, and that they could do nothing in the matter; that I had better see Messrs. Joy & Porter, who were the agents of Dwight. I again mentioned, owing to the suspension of the banks that it was impossible to get drafts or specie, except at a very heavy discount, and insisted that they should be

the last persons refusing to take their own bills in this matter. He urged me to see Messrs. Joy & Porter, but I told him it was useless as it was likely they would take nothing but specie.

A few days previous to the 16th of December, I called on my attorney, A. D. Fraser, Esq., and laid the matter before him, and then called on Joy & Porter, to see what could be done in the matter. Said Joy said that he would take the bank of Michigan notes, provided I would allow the rate of exchange between this and the east. I made no reply, and left, saying I would call again. I then went to Ann Arbor, and met Charles Stuart, Esq., and got him to examine the records, to see that the claim of titles were complete and on record, and that the certificate of sale of said property was legal. Having found some defects, certified to by the register, said Stuart, took them to Mr. Fraser on the 12th of December. On the 13th, I had some conversation with said Fraser, in reference to the matter. He said that he (said Fraser) had a very high respect for that institution, and that it would be very injurious should such transaction come before the public, and thought that we had better settle the matter amicably, as he had seen Mr. Robert Stuart and E. A. Brush. After mentioning the matter to them, they, I suppose, went to the bank and held a conference with its officers, who then agreed to take their own notes.

On the 14th of December, I accidentally met Mr. Sanger on the street, and asked him if it would not be as well to pay the money to the bank as to go to Ann Arbor and pay it to the sheriff. In reply, he said that it would answer every purpose.

I called on Mr. Sanger, at the bank, and said that I had purchased all Messrs. Godard and Gilbert's right and title to said certificate, that I was ready to make a proposal to them for said certificate, provided they would accept, and he referred the matter to Mr. Trowbridge. I proposed to give them the before mentioned note, and a mortgage on said property to secure payment, deducting \$500 from said note, after adding interest to the 14th of December. In a few moments, Mr. Trowbridge answered he would do it. After banking hours, I called and paid the balance of money to Mr. Trowbridge. He went with me to Messrs. Joy & Porter's office, and told them the arrangements, and gave them the note. Mr. Porter then made the assignment of said certificate, and thus ended the matter.

On motion, the committee adjourned to meet at the bank of Michigan, at 3 o'clock, same day.

Pursuant to adjournment, the committee met at the bank of Michigan. Present, Messrs. Edmunds, Gidley, Turner, Brown and Stockton.

The chairman of the committee submitted the following question to the president of the bank of Michigan:

Question 1. Please to state any facts within your knowledge, having a bearing upon the transaction alluded to by Mr. John Drew.

Answer. In the month of July, 1839, the bank, having waited upon Mr. Gilbert about ten years, bargained with William Dwight to sell him the debt, unless Mr. Gilbert, upon notice given, should pay it.

I went to Ypsilanti, and notified Mr. Gilbert in person, of this fact. He did nothing in the premises, and the debt was transferred. Mr. Dwight, by letter of attorney, appointed Mr. Geo. F. Porter, his attorney in fact, to transact the business for him. They refused to take Michigan or other western money of Mr. Drew, as stated by him. I was informed by Mr. Brush that the transaction was misunderstood by the community, who were led to suppose that it was still a matter between the bank and Mr. Gilbert, and that the bank was repudiating its own notes. Thereupon I submitted to the directors the question whether it was not expedient that the bank should assume the responsibility of Joy & Porter's taking the pay in the notes of the bank, rather than that the institution should be left to suffer from the misrepresentation of its enemies. They decided affirmatively.

At a subsequent date, an arrangement was made with Mr. Drew, to take about three-eighths of the debt in the notes of the bank, and the remainder in a note of J. & O. H. Smith. The amount when received was carried to the credit of Mr. Dwight.

It may not be amiss to state, that after all, only about one-third of the sum paid in cash, was in the notes of the bank, and that there never was any evidence before the bank that the amount of the debt was "ready in the notes of the bank."

Mr. Drew's opinions, suppositions and inferences not being testimony, I have not supposed myself called upon to enter into any explanation in regard to them.

The following interrogatories were offered by Mr. Turner:

Question 1. Can the bank show on its books the amount of cash on hand at the close of each business day?

Answer. By Mr. Sibley, teller. Yes.

Question 2. What amount of cash was on hand on the 28th of October, 1839.

Answer. By Mr. Sibley, teller.

| | |
|--|---------------------------|
| Bank notes, | \$24,768 00 |
| Coin, | 28,578 18 |
| United States treasury drafts, paid in coin, Dec. 6, | 15,000 00 |
| Total, | <u>\$68,346 18</u> |

On motion, the committee adjourned to meet at the bank of Michigan, to-morrow afternoon, at half past two o'clock.

February 12.

The committee met to-day according to adjournment at the bank of Michigan. Present, Messrs. Edmunds, Gidley, Witherell, Larue, Turner, Brown and Stockton.

Mr. Gidley moved that the chairman divide the committee, so that one portion may visit each bank at the same time, for the purpose of examining the vaults.

The chairman mentioned Messrs. Gidley, Larue and Turner, as the committee to examine the vaults of the Farmers' and Mechanics' bank, and Messrs. Edmunds, Witherell, Brown and Stockton, the bank of Michigan.

The following statement prepared by the teller of the bank of Michigan, was found to agree with the result of a critical examination of the vaults of that bank by the committee.

Statement of cash on hand this day.

Bank notes.

| | | |
|---|----------|-----------|
| Eastern, | | \$692 75 |
| Ohio, Indiana and Illinois, | | 17,828 00 |
| Canada, | 546 00 | |
| Farmers' and Mechanics' b'k and branch, | 5,975 00 | |
| Bank of St. Clair, | 468 00 | |
| Merchants' bank of Jackson, | 43 00 | |
| Detroit and St. Joseph railroad bank, | 50 00 | |
| Branch bank of Michigan, | 3,340 00 | |
| Bank of Clinton, | 388 00 | |
| Calhoun County bank, | 103 00 | |
| | <hr/> | 29,433 75 |

Specie.

| | | |
|---|-------------|--------------------|
| Gold, | \$18,696 81 | |
| Silver, | 85,445 67 | |
| United States treasury drafts for coin, | 15,922 68 | |
| | <hr/> | \$70,065 16 |
| | | <hr/> |
| | | <u>\$99,498 91</u> |

A. H. SIBLEY, *Teller.*

BANK OF MICHIGAN, }
Detroit, February 12, 1840. }

The chairman of the committee put the following interrogatory:

Question 1. The committee find on counting your coin that it has decreased since the answer of Mr. Sanger to 12th

general interrogatory of the committee, in the sum of \$3,821 66. Please state the cause of such decrease.

Answer. By Mr. Sanger, cashier. I respectfully refer to my answer to the 12th general interrogatory of the committee. The decrease is on account of the sum of \$11,671 22, in that answer specified as subject to checks payable in coin.

(See page 340.)

The following statement, being the result of the examination of the vaults of the Farmers' and Mechanics' bank of Michigan, by the committee, will show the amount of cash on hand in that bank.

*Statement of cash on hand in the Farmers' and Mechanics' bank,
February 12, 1840.*

Bank notes.

| | | |
|--|------------|--------------|
| Bank of Michigan, | \$2,568 00 | |
| Bank of St. Clair, | 1,300 00 | |
| Check on do | 500 00 | |
| Michigan insurance company, | 120 00 | |
| Branch of Farmers' and Mechanics' bank, | 38,157 00 | |
| Country, | 502 00 | |
| Ohio, | 2 00 | |
| Indiana, | 15 00 | |
| Illinois, | 393 00 | |
| Office notes, | 547,975 00 | |
| Post notes, | 45,246 00 | |
| | <hr/> | \$636,778 00 |

Specie.

| | | |
|---------|----------|---------------------|
| Gold, | 7,668 01 | |
| Silver, | 7,809 98 | |
| Copper, | 249 02 | |
| | <hr/> | 15,726 01 |
| | | <hr/> |
| | | <u>\$652,504 01</u> |

Mr. Turner propounded the following question:

Question 1. Will the bank be pleased to exhibit to the committee their engraver's bills? State the whole amount of notes that have been engraved for the bank. Show the amount of bank bills on hand, that have been signed and executed, and that have not been signed and executed; and state also, the amount of the notes of the bank, which have been destroyed by the bank; these amounts subtracted from the amount called for by the engraver's bills, will show the circulation.

Answer. By Mr. Welles, cashier. The whole amount of notes engraved for the home office, is \$855,939 00. The

amount charged to the branch, to be deducted therefrom, is \$184,900 00, and the amount destroyed by fire, is \$103,395 00 leaving a balance of \$567,644 00, now to credit of bank note account. The amount on hand, is \$547,975 00, leaving the sum of \$19,669 00, this day, (February 12, 1840,) in circulation. The answer, so far as it refers to post notes, will be found in reply to a former interrogatory. The engraver's bills cannot all be produced, as some of them are mislaid. The bank notes on hand, both foreign and office, are herewith presented to the committee for examination, together with the coin.

The following interrogatories, offered by Mr. Turner, at a former meeting of the committee at the Farmers' and Mechanics' bank. were answered this day, by Mr. Welles, cashier:

Question 1. To what amount has this institution, or any of its officers, loaned specie, or issued specie certificates to banks organized under the general banking law?

Answer. On the 12th day of February, 1838; a deposit was made in eastern bank notes, by the Farmers' bank of Homer, of the sum of \$2,681, and a certificate requested therefor, to be presented at a distant day, payable in coin, which was issued. No other instance is recollected, nor has the bank, or any of its officers, made any loan of specie, as indicated in the interrogatory.

Question 2. State the banks, and the specific amount loaned to each.

Answered, in the reply to the first interrogatory under this head.

Question 3. Has the bank, or any of its officers for the bank, had any connection, either directly or indirectly, with any broker's office, in this city or elsewhere, for the purpose of redeeming its notes at less than par value.

Answer. They have not.

Question 4. Has the bank at any time redeemed the notes of its branch at less than par value, and if so, at what rate.

Answer. Prior to the date of the last suspension of specie payments, the bank was in the practice of furnishing eastern and other current funds, at this place, in exchange for the notes of its branch bank, at the request of individuals, and for their accommodation, at such rates of discount as would cover the interest upon the time consumed, and a portion of the expense incurred in returning them, but generally much below the current market exchange. Since the date of that suspension no distinction whatever in reference to exchanges, has been made between the notes of the two offices.

Question 5. Is the bank able to show, by its books, the amount of specie on hand at the close of each business day?

Answer. It is.

Question 6. What amount of specie had the bank on hand on the 28th of October, 1839?

Answer. The cash book exhibits the aggregate of \$3,993 10 on hand 28th October, 1839.

Question 7. Has any portion of the specie on hand been brought into the bank since the 1st of February, 1840? If so, how much?

Answer. The specie has increased in the way of business, since February 1st, the sum of \$39 77.

On motion, the committee adjourned to meet at No. 50, American Hotel, on Friday, the 14th inst., at half past two o'clock.

February 14, 1840.

The committee met according to adjournment. Present, Messrs. Edmunds, Gidley, Witherell, Larue, Turner, Stockton and Brown.

In consequence of a communication received by Mr. Turner, Mr. Richmond was summoned to appear before the committee.

Mr. Richmond having appeared, and being sworn by the chairman, the following interrogatories were propounded to him by Mr. Turner.

Question 1. Are you the receiver of public moneys at Ionia?

Question 2. Did the vice president of the bank of Michigan, some time prior to the 28th of October last, pay into your office, some thousands of the notes of the bank of Michigan? If so, with what understanding? Please state the whole transaction.

Question 3. Subsequent to this, did the cashier of the said bank present for payment, government drafts on you, and decline and refuse the notes of the bank, and if so, what was the consequence; and in whose favor were the drafts, and for how much? Please state the whole transaction, as if particular questions were put.

The following questions were put by the chairman of the committee.

Question 4. Do you know that the bills of the bank of Michigan were offered in payment of the aforesaid drafts?

Question 5. Did the bank of Michigan subsequently pay you specie for the amount of its notes held by you?

The questions having been read and a copy of them put into the hands of Mr. Richmond, time was allowed him to prepare the answers.

The committee, on motion, adjourned to meet at the boarding house of Mrs. Dezouche, on Tuesday the 18th instant, at 4 o'clock in the afternoon.

February 18, 1840.

The committee met agreeably to adjournment. Present, Messrs. Edmunds, Gidley, Larue, Turner and Stockton.

The following answers were received from Mr. Richmond, to the interrogatories propounded at the last meeting of the committee.

Question 1. Are you the receiver of public monies at Ionia?

Answer. I am.

Question 2. Did the vice president of the bank of Michigan some time prior to the 28th of October last, pay into your office some thousands of the notes of the bank of Michigan? If so, with what understanding? Please state the whole transaction.

Answer. He has never to my knowledge paid any money into the office. He called on me during the public sales in August last, for the purpose of effecting an arrangement by which the notes of the bank of Michigan could be received in payment for lands. They were subsequently received with the understanding, and his assurance that the same should be redeemed with coin or government drafts, and that without any risk or expense on my part.

Question 3. Subsequent to this, did the cashier of the said bank present for payment government drafts on you and decline and refuse the notes of the bank, and if so, what was the consequence, and in whose favor were the drafts, and for how much? Please state the whole transaction as if particular questions were put.

Answer. Subsequently, and on a day when I was absent from the office, the cashier presented government drafts and declined receiving the notes of the bank in payment; as I was informed by my clerk.

The amount of said drafts and in whose favor drawn, I am unable to state, having no memorandum at hand, or distinct recollection of the names or amounts.

Question 4. Do you know that the bills of the bank of Michigan were offered in payment of the aforesaid drafts?

Answer. Only from statement of my clerk, as is mentioned in my answer to question third.

Question 5. Did the bank of Michigan subsequently pay you specie for the amount of its notes held by you?

Answer. It has paid me coin or its equivalent, whenever demanded. I would state to the committee, that I have never had any connection, either directly or indirectly, in any way with the bank of Michigan.

(Signed,)

W. A. RICHMOND.

The committee adjourned, after having agreed to close the proceedings in relation to any further testimony touching the subject of their investigation of the bank of Michigan, and the Farmers' and Mechanics' bank of Michigan.

WILLIAM S. LEE, *Secretary.*

[No. 42.]

**Report of the Committee on Internal Improvement,
relative to the Ypsilanti and Tecumseh Railroad
Company.**

The committee on internal improvement, to whom was referred the petition of the Ypsilanti and Tecumseh railroad company, report:

That from such examination as the committee have been able to give, to the subject matter embraced in the petition, some legislative action would seem to be demanded; but, as the manner in which a settlement with this company shall be made, involves a principle of much importance to the public, as well as to private interests, and inasmuch as there has been no expression of legislative opinion relative to the validity or manner of liquidating the various claims that have grown out of the implied failure of the state, in the fulfillment of her obligations, the committee have deemed it most proper to lay the whole subject, touching the claims of the above named company, as presented by said company to the committee, before the senate; and accordingly submit herewith the full statement made by said company, with a bill, as more definitely embodying the views of the claimants or petitioners.

All of which is respectfully submitted.

T. E. GIDLEY,
JUSTIN RICE.

Statement of Ypsilanti and Tecumseh Railroad Company.

*To the Chairman of the committee on Internal Improvement for
the Senate of Michigan:*

SIR—In accordance with a resolution of the senate, calling for information in relation to the affairs of the Ypsilanti and Tecumseh railroad company, you will please to receive from me, the authorized agent of said company, as per resolution of the stockholders, passed by said company at Ypsilanti, Dec. 16, 1839, in which I am required to place before you a statement of the stock, property, and affairs of said company, together with the leading facts relating to the character of the state loan to us; also the objects contemplated by it, and the final results.

In the discharge of this duty, you will allow me to state, that the law authorizing a loan of one hundred thousand dollars, redeemable in twenty years by the company, passed April 6, 1838, requires the treasurer of the state, upon the warrant of the auditor general, to pay to said company the amount in cash aforesaid; or in case that the money is not in the treasury,

then the governor shall sell of the bonds of the state, sufficient to meet the objects contemplated by said act.

This law, requiring the governor to negotiate for said loan, was unfortunate for us, from the fact that we were offered a premium of six thousand dollars on said bonds, had we been at liberty to have negotiated them ourselves.

In the month of June, after the passage of this act, I came to the city of Detroit, for the express purpose of meeting governor Mason, upon his return from New York, and learn the result of his negotiation of state stock, so far as said company were concerned.

In reply to me, he stated that he was happy to say that he had fully accomplished and arranged for us a side loan for one hundred thousand dollars, and further, that we could make our arrangements to receive fifty thousand dollars, in Morris canal bills, on the first day of August—twenty-five thousand dollars on the first day of September, and twenty-five thousand dollars on the first day of October then next following.

Upon this full assurance, the company at once made arrangements to enter upon the distribution of stock, and the filing with the auditor general of the state, the required securities.

Having fulfilled this requisition of the law, to the entire satisfaction of the auditor, we were then duly entitled to the money secured by loan, for our company.

We asked, this time, for a warrant of sixty thousand dollars, intending to have the amount placed to our credit, where we could receive interest on the same, until the amount should be drawn for by our treasurer, in favor of contractors; and we had, upon such arrangement, received an offer to loan, on time to complete the construction of our road, should we need further aid in the premises.

This warrant we received upon the treasurer of the state, for which he gave us a check upon the state bank of Michigan. At the bank we were told that a new arrangement had been made, and that instead of eastern funds, which were necessary to carry out the proposals we had made to us, that we must take drafts for forty thousand dollars, at one hundred and eighteen days' sight, drawn on the Canal bank at Albany, without interest. Under all the circumstances of the case, we concluded to receive them, and dispatched an agent direct to Albany or New York, to raise funds for the company on said drafts, hoping thereby to be enabled to fulfill our cash engagements. This effort failed entirely. In the mean time, relying upon the payment of these drafts at maturity, and not anticipating any loss by reason of the same, other than the interest upon the said sum, for the term of six months. The company went forward and let or put under contract the whole line of the road. Our monthly estimates for February became due, and

our available funds were exhausted, in consequence of the failure of the payment of the drafts before alluded to. We then asked the treasurer for the remaining forty thousand dollars, which request was not granted; and after importuning the legislature of 1839 for some two months, we succeeded in obtaining, of a law authorizing the treasurer to pay to our company fifteen thousand dollars, by draft, against the October instalment due upon the five million loan, upon which draft the company sustained a loss of three hundred and eighty dollars, that sum being less the interest on said draft.)

This amount of funds was received by our treasurer, and paid by him to the contractors, in proportion to the estimates due to them severally. We met with much difficulty in procuring the passage of the law, giving us the small sum before mentioned. The extraordinary delay occasioned by the course pursued in the legislature, had a direct tendency to produce derangement in the affairs of the company, as well as loss of credit, and ruin to many of the contractors; all of which we hold as having been widely at variance with our just rights, predicated upon a special contract with the people of this state which said contract has been violated in every essential feature of the act, in consequence of which, the further progress of the works of said company, were wholly arrested.

The company had made arrangements with Mr. Baldwin, of Philadelphia, for two locomotives, on time, and had sent one of our assistant engineers to Syracuse, New York, for the purpose of obtaining a practical knowledge of building the pile road, and to employ men to labor on the road; we also purchased two pile drivers and engines at Utica, New York, to complete that part of the work on said road.

Our contracts, at this time, were all of them concluded on terms favorable to the interests of the company, and we do assure you, that if our arrangement had not failed, from causes before stated, (and which were beyond our control,) the road would have been completed ere this time.

And, in conclusion, gentlemen, you will permit us to inquire, what we are to do—will the state pay us the damage we have sustained, and the balance due to our company, thereby enabling us to go on and complete our road? or will you adopt some other course that shall reach the emergency, and save an association of some forty-five individuals of this commonwealth, from extraordinary embarrassments, if not utter ruin?

Our confidence never for a moment has been shaken, as to the ultimate utility and practicability of the work, either in point of interest to the section of country through which it passes, or to the state as a tributary to her public works.

You will learn, from our report now before you, that the right of way, grubbing and grading, is nearly finished—our

timber for piles, ribs, caps and sills, are all upon the ground—but we are unable to go on with the work in our present circumstances. We now ask, at your hands, that aid which, under the peculiar circumstances of the case, we think we have a right to expect.

Yours, &c.

S. BLANCHARD.

Receipts.

1838.

| | | |
|-----------|-----------------------------|--------------------------|
| Sept. 18, | Received in cash and drafts | |
| | on time from state bank, | \$60,000 |
| Oct. 1, | “ on ac't of loan, | \$15,000 |
| | Less the interest, | 380 |
| | | <hr/> 14,620 |
| | | <hr/> <u>\$74,620 00</u> |

Expenses and disbursements of the company, as follows:

| | |
|-------------------------------------|-----------------|
| For superstructure of the road, | \$17,235 64 |
| engineer department, | 6,159 99 |
| contingent expenses, | 1,891 99 |
| right of way, | 4,536 21 |
| grubbing, clearing, and grading, | 7,554 77 |
| other estimates and accounts, most- | |
| ly for timber, | 7,682 65 |
| unsettled claims, such as contracts | |
| for carts, timber, right of way, | |
| &c., supposed, | 1,700 00 |
| | <hr/> 46,761 25 |

The above is a true copy of the books of the treasurer of the company, as per report, dated January 18, 1840.

S. BLANCHARD.

[No. 43.]

Report of the Committee on Claims, relative to the petition of certain contractors on the Clinton and Kalamazoo Canal.

The committee on claims, to whom was referred the petition of certain contractors on the Clinton and Kalamazoo canal, transmitted by the executive, ask leave to report,

That they have had the same under consideration, together with the petition accompanying the same, signed by William Robinson, H. J. Johnson, J. B. Van Ranselaer, Edward W. Peck, William Beer, Isaac Kelly, James Snook, John F. Hamlin, Elijah Hamlin, jr., John Parshall, William Foster, William Adams, C. N. Chappel, Hiram Loveland, Cyrus Gilbert, B. B. Knight, of Utica, Macomb county, and contractors on the Clinton and Kalamazoo canal.

Also, the claims of Hayden & Hawley, contractors on section thirteen, of Clinton and Kalamazoo canal, as follows:

State of Michigan, to Hayden & Hawley, contractors on section thirteen of Clinton and Kalamazoo Canal.

| | |
|---|---------|
| To interest on drafts received from Bank of Michigan on estimate \$1,446 00, 5 months, | \$42 12 |
|---|---------|

| | |
|---|-------|
| To interest on drafts received from Bank of Michigan, on estimate, about \$950 00, 5 months, | 27 70 |
|---|-------|

On the recommendation of the commissioner, we received an estimate of the 15 per cent, then due. Amount of estimate, \$632. We have kept the same on hand, until October 12th, from the 1st of July.

| | |
|-----------|---------|
| Interest, | \$12 06 |
|-----------|---------|

| | |
|--|--------|
| We then sold the above estimate to Peter J. Desnoyers, for \$300, at a loss of | 132 00 |
|--|--------|

| | |
|--|-------|
| Sold our estimate to Bank of Michigan, for post notes discount 3½ per cent, payable in 12 months; amount of estimate, \$685, | 23 98 |
|--|-------|

| | |
|-------------------------|-------|
| Interest on post notes, | 47 95 |
|-------------------------|-------|

| | |
|--|-------|
| In making the last statement, we would say, that some were sold at 10, some at 17, and some at 25 per cent, to individuals in this place. Interest on \$685, 3 months, the time that we had the same on our hands, | 11 98 |
|--|-------|

| | |
|--|------|
| To interest on estimate, from 1st September to this time, amount, \$100 39, | 2 91 |
|--|------|

| | |
|-------------------------------|------|
| Loss, 1 per cent on the same, | 1 00 |
|-------------------------------|------|

| | |
|--|-------|
| We were compelled to go to Detroit, to get the com- missioner to sign our estimates, and complete our business on the above, especially, five times, at an expense of not less than \$3 a trip, | 15 00 |
|--|-------|

Our time was 15 days.

Also, the petition of John P. Hamlin, as follows:

To the Hon. Justin Rice, Chairman of the committee on Internal Improvement.

SIR—The undersigned, contractor on sections 12 and 16, on the Clinton and Kalamazoo canal, alledges, that in consequence of the state not having funds to pay the estimates made

by the engineer, for work done and materials furnished on said sections, he has been obliged to dispose of his estimates at a discount, for post notes, which could only be used as money at a still greater discount; and that in consequence of the commissioner being absent from the line of said canal, he has been subject to great loss of time and expense; also, loss of interest on estimates, after they were made and due; also, that he had contracted for the building of locks and aqueducts, by which he has sustained loss; all of which he verily believes is to his damage, at least twenty per cent on the amount of his estimates, from the first of May, last to the present time.

JOHN F. HAMLIN.

January 30, 1840.

Also, the claim of John Parshall and William Foster, in the form of a statement to the chairman of the committee on internal improvement, asking for justice.

Also, the petition of Chatterton Foster, praying the payment of his claim of \$2,036 50.

Also, the claim of Niles Gilbert.

Also, the claim of Richard Conally and Richard Jones, as set forth in a petition to the legislature.

Also, the claim and petition of Thomas C. Sheldon, Julius Eldred, David C. McKinstry, N. B. Carpenter and E. Morse, of the late firm of E. Morse & Co.

Also, the petition of Nehemiah Ingersoll, Justin Ingersoll, Zebulon Kirby, preferring claims.

From the nature of the above claims, many of them being for losses sustained on drafts received on the Michigan bank, and on post notes received of the same institution; while some are for journeys to do business with the commissioner, and others, for damages that contractors have sustained in consequence of contracts not having been fulfilled, on the part of the state.

Your committee are of opinion, that the claims are so complicated, the circumstances so diversified, the testimony necessary to arrive at correct conclusions, so extensively scattered over a large extent of country, that it is not in the power of any committee of the legislature to arrive at correct conclusions, as to who is justly entitled to remunerations, or the just amount due to any one, within a time, or within an expense that would be considered reasonable.

And yet your committee concur in opinion with our excellent governor, that the legislature ought to provide means whereby they may meet with speedy and ample justice.

In the message before us, the governor says:

“It is the public faith which is pledged, and it is our con-

stant duty to preserve the public faith inviolate; and as this to the utmost extent is our duty, so I am sure you will think it for our advantage."

Fully concurring with the executive in the above sentiment, and wishing to render him every reasonable assistance in carrying out to advantage his administration, your committee would recommend the passage of a law, providing for the settlement of all claims against the state, on account of internal improvement. And with a view the more speedily to relieve the claimants, your committee ask leave to introduce a bill.

SAMUEL ETHERIDGE,
Chairman Committee on Claims.

[No. 44.]

Report of the Committee on Finance, relative to State taxes.

The committee on finance, to whom was referred the communication of the auditor general, with tax lists, furnished in compliance with a resolution of the senate, passed on the 9th day of January, requesting that officer "to furnish such information as he has in his office, relative to highway taxes in this state," have had the same under consideration, and have the honor to report:

The specific object of the resolution not being declared therein, the committee have been compelled to confine their inquiries to such points of general interest, on the subject of highway taxes, as seemed most likely to have been intended as the subject of investigation.

The lists furnished by the auditor general purport to be accounts of delinquent taxes, returned to the office of that functionary, pursuant to law, in six townships, situated in six different counties of the state to wit: the counties of Barry, Jackson, Lapeer, Saginaw, St. Clair and Van Buren.

Your committee have been forcibly struck with the great disproportion which the taxes for highway labor are made to bear to those for other purposes connected with the public weal; and with the inequality which exists as to the modes of assessing them, and they avail themselves of this opportunity to urge upon the legislature the necessity of providing a remedy for an evil which is loudly complained of, and which should without delay, be redressed.

From the documents referred to your committee, it appears that in six towns in the state, the total amount of delinquent

taxes, for state, county and town purposes, is six hundred and sixty-eight dollars and ninety-five cents, while for highways, the same lands are taxed one thousand three hundred and eighty dollars and sixty-five cents, being more than twice the amount of the other three taxes united.

✧ In regard to the mode of levying these taxes, there seems to be no rule. Each town has acted for itself. In one town the rule appears to be, to tax each eighty acre lot, one dollar and twenty-five cents; in another, three dollars and ninety-four cents, and sometimes nearly twice that sum; in another, three dollars; in others two dollars and fifty cents; and in another two dollars. This rule has been followed with respect to large tracts of land, so that a quarter section is made to pay double, a half section quadruple, and a section eight times the amount of an eighty acre lot.

✧ This system of indiscriminate, unequal and excessive taxation, appears to your committee, to have grown out of a narrow minded policy, which, in grasping for trifles, has suffered to pass away from our possession and enjoyment, interests of great comparative moment.

Your committee have no hesitation in expressing the opinion, that immigration to this state has been greatly retarded by the universal excessive local taxation, particularly on account of highways and school houses, and especially in cases of non-resident lands; and they think it would be an easy task to demonstrate, that our resident citizens have lost ten times as much, in the depreciation of their own property, by these heavy burdens thrown upon the foreign capitalists, as they have made by the imposition of the tax.

In the investigation of this subject, your committee have been led to examine the existing laws relating to taxes, and that part of the auditor general's report, touching this subject.

By the provisions of the revised statutes, it is made the duty of the county treasurers to return to the auditor general's office, a certified list of all the delinquent taxes for the year; and the treasurer of the state is authorized to issue and sell each year, a sufficient amount of state bonds, to enable him to reimburse the counties, the sums due them respectively, on account of such delinquent taxes, holding as a special fund, to meet the payment of the interest and principal of said bonds, all sums of money received by him in payment of such taxes. The late auditor general, in his annual report, intimated an opinion that the scarcity of money and redundancy of state stocks, would prevent the sale of the bonds, and the proper working of the system, and recommended the passage of a law authorizing that officer, to settle the accounts of the several counties by charging to them the state taxes, and crediting the delinquent taxes returned.

But your committee can see no good reason for adopting such a course. It is not well to abandon any system without having given it a fair trial; and there is no reason to suppose, that the general prejudice against stocks as an investment, will operate to prevent the sale of Michigan tax bonds, because, in the first place, these bonds bear a high rate of interest; and secondly, they are unlike other state stocks, in respect to the certainty of payment, in that they are not only founded upon the guaranty of the public faith, but upon an absolute pledge of the taxes they represent, amounting in fact, to a pledge of lands, worth, in all probability, one hundred times the amount of the bonds; such stocks must, in all ordinary times, command ready market as an investment.

But there is another reason against the plan proposed by the auditor general, which, to the minds of your committee, is conclusive. The state tax is specified in its nature, and object; and there being no other permanent source of revenue, this must be relied upon, when at all collectable, for the support of the civil list. Its collection should be rigorously enforced, and the amount promptly paid into the state treasury. But if it be allowed to remain in the county treasuries, and accounted for to the state in delinquent taxes, which may be paid at any time within three years, no reliance can be placed upon it, but all estimates of receipts, so far as regards this tax, must be contingent and uncertain.

Your committee deem the plan of returning all delinquent taxes to the auditor general's office a very wise one; it meets general approbation, and will undoubtedly be the means of saving much individual loss and inconvenience, as well as much litigation, and many appeals for legislative interposition, in cases where wrong has been done, for which existing statutes do not provide a remedy. There is a certainty about the mode of payment, and the character of voucher received, which is highly satisfactory to the holders of land, and which is not attainable by the old system of township and county collections.

All of which is respectfully submitted.

D. G. JONES, *Chairman.*

[No. 45.]

Report of the Auditor General, relative to claims for damages on the several Railroads.

AUDITOR GENERAL'S OFFICE, }
 Detroit, Feb. 12, 1840. }

Hon. JAMES WRIGHT GORDON, President of the Senate:

SIR—In obedience to the resolution of the senate, of the 6th instant, I transmit a statement showing the amount of claims audited and paid, upon the several railroads of this state.

It is proper for me to say, that this office does not furnish the data for the whole time embraced in the resolution, and that I have obtained the necessary information from the clerk of the board of commissioners.

I am, sir, respectfully,

Your obedient servant,

E. P. HASTINGS,
Auditor General.

Statement of claims for damages audited and paid by the Auditor General of the State of Michigan, on the Central Railroad.

| | | |
|-----------------------|-------------|-------------|
| Audited by R. Abbott, | \$26,478 18 | |
| “ H. Howard, | 2,450 86 | |
| “ E. P. Hastings, | 175 00 | |
| | <hr/> | \$29,099 04 |
| Paid by R. Abbott, | \$19,764 89 | |
| “ H. Howard, | 312 00 | |
| | <hr/> | 20,076 89 |
| | | <hr/> |

Northern Railroad.

| | | |
|--------------------------------|-------|----------|
| Audited and paid by R. Abbott, | <hr/> | \$256 37 |
| | | <hr/> |

Southern Railroad.

| | | |
|-----------------------|------------|-------------|
| Audited by R. Abbott, | \$8,264 35 | |
| “ H. Howard, | 2,587 52 | |
| | <hr/> | \$10,851 87 |
| | | <hr/> |

[No. 46.]

**Report of Commissioners of Internal Improvement,
relative to damages for right of way.**

OFFICE OF INTERNAL IMPROVEMENT, }
Detroit, February 12, 1840. }

In accordance with a resolution adopted by the honorable the senate, on the 5th inst., the board of internal improvement, have the honor respectfully to report :

That the aggregate amount paid to individuals on each of the railroad routes for damages for the right of way, and fencing,—on the

| | | |
|---|-----------------------------|-------------|
| <i>Central railroad</i> | up to this date, amounts to | \$32,996 39 |
| <i>Northern</i> do do do do | | 262 37 |
| <i>Southern</i> do do Nov. 30, 1839, do | | 9,999 76 |

\$43,558 52

The amount above stated, as paid on the northern railroad, was for the services of a special agent to obtain releases for the right of way of the several owners of lands through which said road passes.

The board are unable, from the papers in their possession, to arrive at the amount paid on the southern railroad, from the date above stated, up to the present time, and as the commissioner having charge of that work, is at present absent from this city, they are not enabled to obtain the requisite information from him.

All which is respectfully submitted.

RIX ROBINSON,
WM. R. THOMPSON.

[No. 47.]

**Report of the Commissioners of Internal Improvement,
in compliance with a resolution of the Senate,
passed January 15, 1840.**

OFFICE OF INTERNAL IMPROVEMENT, }
Detroit, February 8, 1840. }

The board of internal improvement, in compliance with a resolution adopted by the honorable the senate, on the 15th ult., have the honor respectfully to report:

That after much labor and delay in acquiring the necessary information, they are at last enabled to lay before the honorable the senate, the following statement, which exhibit the names of all contractors on the several works, with the amount (estimated) of their contracts, the amount estimated thereon, and the present indebtedness to said contractors.

By reference to the accompanying statements, it will be seen that, to carry out to completion all the existing contracts on the several works at their estimated amount, will require the sum of four hundred and twenty-three thousand one hundred and ninety-two dollars eighty-five cents, (\$423,192 85;) that the amount of the present indebtedness of the state to contractors, (including the amounts due to individuals, for labor in the construction of the portion of the central railroad between Ypsilanti and Ann Arbor, which is estimated at (\$3,465 83,) amounts to forty-nine thousand seven hundred and sixty-seven dollars forty-two cents, (\$49,767 42;) this latter amount is exclusive of the amounts which may be due to the several engineers for their services up to the present time.

The amount at present due the contractors on the southern railroad, is estimated at eight thousand dollars, (\$8,000) which is exclusive of the estimates for work in the month of January; from a misapprehension of the intent of the resolution, this portion of the statement on that work was omitted, to be accurately obtained, but it is thought by the commissioner and engineer on that work, that it will not exceed the amount above stated.

The board would also state, that since the annexed statements for amounts due contractors on the northern railroad and central railroad were made up, there has been paid by the warrants of the auditor general, on the former work, the sum of fifteen hundred dollars, (\$1,500) and on the latter work the sum of fourteen thousand three hundred and seventy-four dollars eighteen cents, (\$14,374 18) which being deducted therefrom, will reduce the amount due to contractors to the sum of thirty-three thousand eight hundred and ninety-three dollars twenty-four cents, (\$33,893 24.)

All which is respectfully submitted.

RIX ROBINSON,
WM. R. THOMPSON.

Contracts on Central Railroad.

| <i>Names of contractors.</i> | <i>Date of contract.</i> | <i>Date of completion.</i> | <i>Estimated amount of contracts.</i> |
|---|--------------------------|---|---------------------------------------|
| James Deneer, re-let to John Munroe, January 2d, 1839, Amount estimated to Jan. 1, 1840, do paid, do | July 13, 1838. | May 15, 1839. | \$3,508 21 |
| do due contractor, do | | | |
| Chatterton Foster, re-let to J. Munroe, T. Martin and S. Sutherland, November 1 and September 25, 1839, Amount estimated to January 1, 1840, do paid do | July 10, 1838. | C. Foster, Dec. 1, 1838. J. Munroe, S. Sutherland and T. Martin, June 1, 1840. | 36,309 81 |
| do due contractor, do | | | |
| Extra allowance to C. Foster and S. Sutherland, | | | |
| Samuel W. Dexter, Amount estimated to January 1, 1840, do paid do | July 11, 1838. | Dec. 1, 1838. | \$37 50 |
| do due contractor do | | | |

Contracts on Central Railroad—Continued.

| Names of contractors. | Date of contract. | Date of completion. | Estimated amount of contracts. |
|--|-------------------|---------------------|--------------------------------|
| Brock & French, Amount estimated to January 1, 1840, do paid do due contractor do | Jan. 11, 1839. | August 1, 1839. | \$16,000 00 |
| \$11,550 00 9,817 50 \$1,732 50 | | | |
| John Munroe, Amount estimated to January 1, 1840, do paid do due contractor do | Jan. 28, 1839. | July 1, 1839. | 4,145 16 |
| \$2,077 59 2,054 56 23 03 | | | |
| Charles Tull, Amount estimated to January 1, 1840, do paid do due contractor do | March 28, 1839. | Sept. 15, 1839. | 2,712 00 |
| \$822 26 212 50 \$1,034 76 | | | |
| E. McMillan, re-let to R. Giles, Amount estimated to January 1, 1840, | April 3, 1839. | October 1, 1839. | 2,486 00 |
| \$1,031 90 | | | |

| | | | | | |
|--|-----------------------|-------------------|---|---------------------------------|-----------|
| [Sen. Doc.] | do paid do | 591 66 | | | |
| | do due contractor do | <u>\$440 24</u> | | | |
| Alpheus Cook, Amount estimated to January 1, 1840, | do paid do | \$4,374 83 | Jan. 28, 1839. | July 1, 1839. | 7,767 00 |
| | do due contractor do | <u>\$253 47</u> | | | |
| | do due contractor do | <u>\$3,346 14</u> | July 31, 1838. | June 15, 1839. | 6,750 00 |
| | do paid do | 1,101 45 | | | |
| David Page, re-let to P. Kilfoil, Dec. 20, 1838, Amount estimated to January 1, 1840, | do due contractor, do | <u>\$2,244 69</u> | | | 75,682 29 |
| | do | | | | |
| | do | | | | |
| | do | | | | |
| Joel Clemens; contract forfeited May 1, 1839; assumed by H. H. Comstock from that date, as one of his securities, and re-let by him to sundry persons. | do | | July 31, 1838, and Jan. 1, 1839, and Jan. 28, 1839. | Jan. 1, 1839, and June 1, 1839. | |
| | do | | | | |
| | do | | | | |
| | do | | | | |
| Amount estimated to January 1, 1840, | do paid do | \$38,850 80 | | | |
| | do | 28,859 15 | | | |
| | do | <u>\$9,991 75</u> | | | |
| | do | <u>1,358 90</u> | | | |
| Extra allowance, | do | | | | |
| | do | | | | |

Contracts on Central Railroad—Continued.

| Names of contractors. | Date of contract | Date of completion. | Estimated amount of contracts. |
|--|----------------------------------|----------------------------------|--------------------------------|
| Emery Beall, Amount estimated to January 1, 1840, do paid | April 16, 1839. | No date. | \$5,457 80 |
| do due contractor, do | | | |
| do due contractor, do | | | |
| William H. Cross, Amount estimated to January 1, 1840, do paid | July 20, 1838. | Jan. 1, 1839. | 9,982 51 |
| do due contractor, do | | | |
| do due contractor, do | | | |
| Abel F. Fitch, Nothing estimated or paid. Zephaniah Platt, Nothing estimated or paid. | Feb. 21, 1839. Jan. 25, 1839. | Dec. 31, 1839. Sept. 1, 1839. | 10,341 96 2,102 50 |

Recapitulation.

Amount due on outstanding contracts, when the same shall have been completed,

\$84,714 66

Amount due contractors on estimates afloat and per centage retained,

\$20,594 30

Amount due individuals for labor performed and materials delivered on the third division of said road, the contract of D. C. McKinstry having been assumed by the state on or about the 15th of May; (this amount does not include the per centage retained from D. C. McKinstry, as the same is not accepted by him,) supposed amount,
 Amount (supposed) of estimates for the month of January,

3,465 83
 5,000 00

\$29,080 13

Amount of present indebtedness, to January 31, 1840,

Contracts on Northern Railroad.

| <i>Names of contractors.</i> | <i>Date of contracts.</i> | <i>Date of completion.</i> | <i>Estimated amount of contracts.</i> |
|--|---------------------------|----------------------------|---------------------------------------|
| John Campbell; subsequently assumed by D. B. Harrington, Amount estimated to January 31, 1840, do paid | June 29, 1838. | Jan. 1, 1839. | \$2,060 00 |
| do due contractor, do | | | \$1,460 00 |
| | | | 1,241 00 |
| | | | <u>\$219 00</u> |
| Andrew J. Palmer, Amount estimated to January 31, 1840, do paid | June 29, 1838. | Jan. 1, 1839. | 3,000 00 |
| do due contractor, do | | | \$2,125 00 |
| | | | 1,041 25 |
| | | | <u>\$1,083 75</u> |
| Theodore Bathey, Amount estimated to January 31, 1840, do paid | June 29, 1838. | Jan. 1, 1839. | 6,080 00 |
| do due contractor, do | | | \$3,703 75 |
| | | | 2,283 54 |
| | | | <u>\$1,420 21</u> |

| | | | | |
|--|--|----------------|-----------------|-----------|
| A. H. Beach & Co., Amount estimated to January 31, 1840, do paid Extra allowance, | \$5,000 00 5,000 00 900 00 | July 21, 1838. | No date. | 5,000 00 |
| [This contract is not completed; the above allowance is for extra grubbing, provided for in the contract.] | | | | |
| Parks & Warner, and A. L. & B. O. Williams, Amount estimated to January 31, 1840, do paid do due contractor, do Extra allowance, | \$10,003 88 9,281 10 \$722 78 469 55 | July 24, 1838. | May 1, 1839. | 9,834 31 |
| Charles C. Hascall, Amount estimated to January 31, 1840, do paid do due contractor, do Extra allowance, | \$11,009 92 10,519 92 \$490 00 1,042 83 | Nov. 15, 1838. | Sept. 15, 1839. | 20,000 00 |

Contracts on Northern Railroad—Continued.

| Names of contractors. | Date of contract. | Date of completion. | Estimated amount of contracts. | |
|---|-------------------|---------------------|--------------------------------|------------|
| Thomas J. Drake; subsequently assigned to John Prentiss, and by him to Daniel Ball. | July 31, 1838. | No date. | \$40,000 00 | |
| Amount estimated to January 31, 1840, | | | | \$2,455 34 |
| do paid | | | | 1,788 57 |
| do due contractor, do | | | <u>\$668 77</u> | |

Recapitulation.

Amount due on outstanding contracts, when the same shall have been completed, \$15,286 00
Amount due contractors for estimates afloat, and per centages retained, up to January 31, 1840, 4,804 51

Contracts on Saginaw Canal.

| Names of contractors. | | Date of contract. | Date of completion. | Estimated amount of contract. |
|--|--|-------------------|---------------------|-------------------------------|
| Norman Little, | | July 5, 1838. | Sept. 1, 1839. | \$45,000 00 |
| Amount estimated to January 31, 1840, | | \$14,108 48 | | |
| do paid, | | 14,108 48 | | |
| Recapitulation. | | | | |
| Amount due on outstanding contract, when the same shall have been completed, | | | | <u>\$30,893 52</u> |

Contracts on Clinton Canal.

| <i>Names of contractors.</i> | <i>Date of contract.</i> | <i>Date of completion.</i> | <i>Estimated amount of contract.</i> |
|--|--------------------------|----------------------------|--------------------------------------|
| Alexander Clemens, Amount estimated to January 20, 1840, do paid | June 30, 1838. | Oct. 1, 1839. | \$16,390 00 |
| do due contractor, do | | | |
| James B. Van Rensselaer, Amount estimated to January 20, 1840, do paid | June 30, 1838. | Oct. 1, 1839. | 10,405 48 |
| do due contractor, do | | | |
| Extra allowance, | | | |
| Robert Wattles, Amount estimated to January 20, 1840, do paid | June 30, 1838. | Aug. 1, 1839. | 10,959 86 |
| Pluea, Hilton, Allen, Hews and Leaton, Amount estimated to January 20, 1840, do paid | June 30, 1838. | Oct. 1, 1839. | 64,122 84 |
| do due contractor, do | | | |

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| | | | | |
|--|-----------------|-----------------|---------------|-----------|
| Parks, Boyer, Fake, Andrews and Clark, Amount estimated to January 20, 1840, do paid | \$3,835 02 | June 30, 1838. | Aug. 1, 1839. | 12,618 30 |
| | 3,277 31 | | | |
| | <u>\$558 31</u> | | | |
| Kelly, Beer, Snook and Giddings, Amount estimated to January 20, 1840, do paid | \$9,071 75 | Feb. 4, 1839. | Nov. 1, 1839. | 23,495 23 |
| | 8,123 66 | | | |
| | <u>\$948 09</u> | | | |
| Isaac Kelly, Amount estimated to January 20, 1840, do paid | \$4,729 50 | Sept. 19, 1838. | Nov. 1, 1839. | 18,550 00 |
| | 4,215 43 | | | |
| | <u>\$514 07</u> | | | |
| Elijah Hamlin, jr., Amount estimated to January 20, 1840, do paid | \$3,599 36 | Sept. 19, 1838. | Nov. 1, 1839. | 8,499 84 |
| | 3,599 36 | | | |
| | <u>\$01 20</u> | | | |
| Extra allowance, | | | | |
| Hilton & Allen, Amount estimated to January 20, 1840, | \$5,785 73 | Sept. 19, 1839. | Nov. 1, 1839. | 14,541 80 |

Contracts for Improvement of Grand and Maple Rivers.

| Names of contractors. | Date of contract | Date of completion. | Estimated amount of contracts. |
|--|------------------|---------------------|--------------------------------|
| Henry Dane, Amount estimated to January 31, 1840, do paid | July 17, 1838. | Nov. 1, 1838. | \$2,000 00 |
| Hantz & Baldwin, Amount estimated to January 31, 1840, do paid | August 2, 1838. | Nov. 1, 1838. | 4,556 40 |
| do due contractor, Extra allowance, | | | |

Recapitulation.

Amount due on outstanding contracts, when the same shall have been completed, \$1,208 59
 Amount due contractor on estimate aforesaid, 948 70

Contract for Improvement of Kalamazoo River.

| Names of contractors. | Date of contract | Date of completion. | Estimated amount of contracts. |
|---|------------------|---------------------|--------------------------------|
| Porter & Sanders. | July 7, 1838. | Nov. 1, 1838. | \$4,600 00 |
| Amount estimated to January 31, 1840, | | | |
| do paid | | | |
| \$3,750 00 | | | |
| <u>3,750 00</u> | | | |
| Amount due on outstanding contracts, when the same shall have been completed, | | | \$850 00 |

Amount reported as paid by the contractor.

Amount estimated as no work has been done.

Amount paid.

Contract for improvement of Kalamazoo River.

Contract on Soult de Ste Marie Canal.

| Names of contractors. | Date of contract. | Date of completion. | Estimated amount of contracts |
|---|-------------------|---------------------|-------------------------------|
| Smith & Driggs, Nothing estimated, as no work has been done, | Sept. 7, 1838. | Sept. 1, 1839. | \$56,627 30 |

Amount advanced contractors in pursuance of law, \$5,000

Yours very respectfully,
 Wm. H. Driggs
 Surveyor General for the Territory of Oregon.
 (Signed) Wm. H. Driggs

To L. S. HUMPHREY, Esq., *Commissioner Southern railroad.*

SIR—In compliance with your instructions, and in accordance with a resolution of the honorable, the senate of the state of Michigan, passed January 15, 1840, I have the honor to submit the following statement in relation to the amount of work performed, and by whom performed, amount of work to be performed, and now under contract, date of contract, &c., &c.

It will be perceived that the classification of the work under the several heads of grubbing, grading, superstructure, bridging &c., varies somewhat from my report of November last, although it does not vary the final result, except it makes the road from Monroe to Adrian and Dundee branch, cost about \$2,000 less than my former report. I anticipate, however, that there may be just claims not yet presented or allowed, or omissions equal to the amount of difference between the two reports.

Grubbing and clearing—first division.

John Prentiss contracted, 21st December, 1837, to grub and clear ten miles, for the sum of \$3,010, viz: Sections 4, 5, 6, 7, 8, 9, 16, 19, 23 and 24, for which he has been estimated and paid, according to the terms of his contract, the sum of \$2,545 00. He then abandoned the work.

Mr. Prentiss failing to perform and complete the work according to contract, the unfinished portion was relet by public sale, and a part by private contracts, to several individuals at an advanced price, as per vouchers rendered and paid.

I deem it a matter of justice to state, that I truly believe the principal cause that Mr. Prentiss and others did not fulfill their contracts with the state, may be found in the fact, that, most of the grubbing contracts that were let between Monroe and Adrian, were taken at least from 50 to 75 per cent lower than would have been the first cost of doing the work, had they completed it according to the specifications and terms of their contracts.

Clodd and Furguson received \$99 37 for grubbing and clearing on sections 3 and 4, in consequence of changing location.

John Prentiss received \$120 for grubbing and clearing. John S. Brown and James Martin received \$25 for grubbing and clearing, occasioned, in consequence of the non-fulfillment of contract by John Prentiss, vide voucher 631, &c.

Walter Peck received \$64 50 for grubbing and clearing, vide voucher, 1,482.

Clark and Cole received \$503 for grubbing and clearing, vide voucher 1,769.

Clark and Cole received \$455 30 for grubbing and clearing on sections 5, 6 and 9, in consequence of alteration of location

and non-fulfillment of contract by John Prentiss, vide voucher 971.

Section 24 was relet to J. P. Carpenter, at \$579, for which he has been estimated and paid, according to the terms of his contract, the whole amount. Contract complete.

Samuel Stone contracted 21st December, 1837, to grub and clear two miles for \$340, viz: Sections 3 and 15, for which he has been estimated and paid, according to the terms of his contract, the full amount, viz: \$340. Contract complete.

Lyon and Howard contracted, 21st December, 1837, to grub and clear one mile for \$150, viz: section 10, for which they have been estimated and paid, according to the terms of their contract, the full amount. Contract complete.

L. G. Budlong contracted, 21st December, 1837, to grub and clear seven miles for \$2,020, viz: sections 11, 12, 13, 20, 25, 26 and 32, for which he has been estimated and paid, according to the terms of his contracts, the sum of \$1,374.

Mr. Budlong then failing to perform and complete the work, according to contract, the unfinished part was relet by private contract, except two miles, which was relet to H. L. Stewart, all at an advanced price.

Mr. Stewart, after receiving the sum of \$700 for work performed on his contract, abandoned the same for want of means to carry it on. The residue was relet at a second advanced price, by private or verbal contract, and completed and paid according to their several vouchers rendered.

Calvin, Crane, Braman & Hoag, received \$36 00 for grubbing and clearing occasioned by non-fulfillment of contract by L. G. Budlong.

P. & T. Munson received \$198 00 for grubbing and clearing, vide voucher 1,756.

D. C. Pratt & B. W. Moore, received \$185 00, for grubbing and clearing, vide voucher 1,605, &c.

O. M. Rood contracted 21st December, 1837, to grub and clear one mile, section 14, for \$110, for which he has been estimated and paid according to the terms of his contract, the full amount. Contract complete.

Anthony McKey contracted 21st December, 1837, to grub and clear two miles, sections 17 and 22, for the sum of \$495 00, for which he has been estimated and paid, according to the terms of his contract, the full amount. Contract complete.

Dan B. Miller contracted 21st December, 1837, to grub and clear one mile, section 18, for the sum of \$93 00, for which he has been estimated and paid the full amount. Contract complete.

Walter R. Clarke contracted 21st December, 1837, to grub and clear one mile, section 21, for the sum of \$425 00, for

which he has been estimated and paid according to the terms of his contract, the full amount. Contract complete.

O. Butler contracted 21st December, 1837, to grub and clear four miles, sections 27, 28, 29 and 30, for the sum of \$1,075 00, of which he has been estimated and paid, according to the terms of his contract, the sum of \$323 75; and then abandoned the work, which was relet by public vendue to Asa Winter, at an advanced price.

Burr & Braman received \$13 50 for work done on section 29, accruing in consequence of Butler & Washburn's non-fulfillment of contract.

Asa Winter contracted in August, 1838, to complete the grubbing and clearing on sections 27, 28, 29 and 30, for the sum of \$1,665. He has completed the work, (in which it is believed he has sustained considerable loss,) and been estimated and paid the full amount of the contract. He has also been allowed \$60 00 extra, on account of being prevented (by order of the engineer) from burning the brush, logs, &c., in August and September, when it was dry, until December, for fear of destroying the ties and square timber on the line; and he has also been allowed \$60 00 on account of its being understood at the time of the letting, that sections 29 and 30 were to be drained by the state.

Asa Winter has received the further sum of \$286 00, for work performed, not included in the contract, per estimate of the engineer, vide voucher 773.

Daniel Clark contracted 21 March, 1838, to grub and clear section 31 for \$450 00, of which he has been estimated and paid the sum of \$436 50; the residue was paid to W. G. Clarke for completing the work. Contract complete.

French, Vail & McAdam contracted, 17th April, 1838, to grub and clear sections 33, 34 and 35 for \$1,000, of which they have been estimated and paid, according to the terms of their contract, the full amount. Contract complete.

M. Gibson received \$83 75, for labor performed in consequence of the removing of timber which belonged to the state, to prevent it from being burned and broken in clearing the road.

W. Peck received \$84 25, for work performed in consequence of the land holders, or others, unknown, cutting the timber contiguous to the line of the road, and falling it in on the 100 feet during the suspension of work in the spring of 1838, by a resolution of the legislature.

A. Schryver received \$69 00 for work performed in consequence of a change in location, by order of the engineer.

Superstructure for first division of Southern Railroad and its branches.

Luther Harvey contracted 21st December, 1837, to furnish timber for six miles of superstructure, on sections 5, 6, 7, 8, 9 and 10; also contracted, 21st March, 1838, to furnish two miles, on sections 1 and 2, for all of which he has been estimated and paid, according to the terms of his contract, the sum of \$12,620 61. Contract complete.

Lewis & Bice received \$138 60, for extra timber required, from the necessity of altering the design of construction, on account of soft foundations, quicksands, &c., vide voucher 746.

Hiram Miller, Wm. Bice and John Foley have received \$180 00 for extra timber, &c., vide vouchers 642, 627 and 763.

N. W. Wadsworth, Silas Lewis and Enoch Mason have received \$122 87, for do, vide vouchers 613, 887 and 910.

Hiram Stone, William W. Gale and James Stone have received \$124 35 for splicing plank, &c., vide vouchers 1,618, 586 and 1,791.

Elijah Alford has received \$6 00 for drawing ties from sections 3 and 4 to turnouts, &c., vide voucher 1,628.

Silas Lewis has received \$53 50 for furnishing timber for turnround, vide voucher 1,633.

Wm. Tuthill has received \$32 40 for rails for turnouts, vide voucher 1,794.

Stewart & Darrah have received \$37 79 for plank for switches, vide voucher 1,622.

Isaac Lewis has received \$1,722 12 for cast iron, &c., for switches and turnround, &c., vide vouchers 1,614, 1,615, 1,616 and 1,623.

J. C. Garwood has received \$11 51 for workmanship on iron, vide voucher 1,617.

Barker & Winans, contracted 21st December, 1837, to furnish timber for six miles of superstructure on sections 3, 4, 11, 12, 13 and 14, for which they have been estimated and paid, according to the terms of their contract, the sum of \$9,033 04. Contract complete.

Luther Darriel received \$25 62 for extra timber, required from the necessity of altering the design of construction, to surmount such obstacles as quicksands, &c., vide voucher 885.

Carney & Gregory received \$9 00 for extra timber, &c., vide voucher 1,634.

Wm. Fletcher and David Nhare received \$24 54 for extra timber, &c., vide vouchers 1,426 and 1,625.

Carney & Gregory received \$101 62 for furnishing timber for section twelve, owing to its being 222 feet longer than it was designed, (a mile) vide voucher 1,627.

Robert McNeil and John S. Brown received \$107 34 for timber, &c., vide vouchers 1,041 and 1,423.

Walter P. Clark, contracted 21st December, 1837, to furnish for four miles of superstructure and branches on sections 15, 16, 17 and 18, for which he has been estimated and paid, according to the terms of his contract, the sum of \$6,058 40 in full.

He has also received \$243 20 for timber for bridges, &c., vide voucher 1,494.

James Totten received \$36 00 for culvert timber, vide voucher 742.

Hiram Rice received \$73 94 for work performed and materials furnished on section 16, vide voucher 873.

Adam Schryver received \$28 00 for furnishing block timber for section 15, vide voucher 975.

Anthony McKey contracted, 21st December, 1837, to furnish timber for one mile of superstructure, on section 22, for which he has been estimated, according to the terms of his contract, the sum of \$1,298 21. Contract complete.

James Keegan received \$17 13 for furnishing materials and building road bridge on section 22, vide voucher 1,621.

L. G. Budlong, Crane, Rood and others, known as the "Adrian company," contracted 21st December, 1837, to furnish timber for thirteen miles of superstructure, on sections 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31 and 32. After the contracts were signed, and before the work was commenced, the contractors divided the work among a part of the original company, with a verbal agreement on the part of the commissioner, that each individual assuming any portion of said work, by giving proper security, should be held responsible for such portion exclusively, and that no other individual of said company should in any way be held responsible for the performance of such portions of said contract.

Crane & Whitney assumed sections 23 and 24, which they completed, and have been estimated and paid, according to the terms of the contract the sum of \$2,469 10, in full.

O. M. Rood assumed section 31, which he completed, and has received per estimate, the sum of \$1,151 70, according to the terms of his contract; and \$57 50 for timber delivered on said section, not included in contract.

Butler and Washburn assumed sections twenty-eight, twenty-nine and thirty, on which they were estimated and paid, according to the terms of the contract, the sum of three thousand one hundred and fifty-three dollars; they then abandoned the work, and failed to perform on their part. It was relet by verbal contract in small parcels, as shown by several vouchers rendered.

L. G. Budlong assumed to furnish seven miles on sections nineteen, twenty, twenty-one, twenty-five, twenty-six, twenty-seven and thirty-two, on which he was estimated and paid ac-

according to the terms of the contract, the sum of six thousand two hundred and thirty dollars; he then failed to perform any further. It was relet verbally to several individuals, in small parcels, as shown in the several vouchers rendered.

Calvin Burnham received one hundred and seven dollars and ten cents, for furnishing timber on section twenty, accruing in consequence of non-fulfillment of contract by L. G. Budlong, vide voucher 1,234.

Pulman & Wilcox received one hundred and twenty-nine dollars and fifteen cents, for do, section twenty-seven, vide voucher 1,236.

Isaac Wilcox received one hundred and seventy-nine dollars and nineteen cents, for do, sections twenty-five and twenty-seven, vide voucher 893.

David Russell received twenty-four dollars and nine cents, for do, section nineteen, vide voucher 888.

B. W. Moore received one hundred and fifty dollars and twenty cents, for do, section twenty-five, vide voucher 882.

Orry Adams received sixty-nine dollars and thirty cents, for do, section nineteen, vide voucher 887.

Calvin Burnham received ninety dollars, for do, section twenty-one, vide voucher 1,043.

Pulman & Wilcox received one hundred and three dollars and seventy-four cents, for do, section twenty-five, vide voucher 1,044.

George Soule received one hundred and thirty-nine dollars and eighty cents, for do, section twenty-seven, vide voucher 866.

Philander Munson received forty-eight dollars and eighty-five cents, for do, section twenty, vide voucher 883.

Lewis Trombly received fourteen dollars and thirty-seven cents, for do, section nineteen, vide voucher 1,038.

Codd & Ferguson received one hundred and ninety-two dollars and sixty-seven cents, for do, sections twenty-six and twenty-seven, vide voucher 1,161.

Oscar Sinclair received eleven dollars and forty-one cents, for do, section vide voucher 1,159.

B. W. Moore received four hundred and eighty-seven dollars and twenty-six cents, for do, section twenty-five, vide voucher 1,158.

Calvin Burnham received eighty-two dollars for do section twenty-one, vide voucher 1,155.

P. & T. Munson received sixty-three dollars and two cents, for do, section twenty, vide voucher 1,757.

Richard Peters received twenty dollars for hauling timber from section nineteen to twenty, vide voucher 1,370.

D. C. Pratt received sixty-nine dollars and fifty cents, for

furnishing and setting extra blocks in swail, on section twenty-one, vide voucher 1,481.

Burr & Braman received thirty-three dollars and twenty cents, for furnishing timber for section twenty-nine, occasioned in consequence of that which was delivered by Butler & Washburn, not being fit for use, vide voucher 728.

Joel Carrier received forty-two dollars eighty-seven cents, for delivering and furnishing timber on section twenty-nine and thirty, accruing in consequence of Butler & Washburn failing to perform their contract, vide voucher 725.

Joel Carrier received three hundred and fifty-five dollars and fifty-eight cents, for do, section twenty-eight, vide vouchers 1,235, 1,236 and 1,037.

Benjamin Clark received eighteen dollars for do, section thirty, vide voucher 722.

Artemas Wilder received forty-two dollars and fifty cents, for do, section vide voucher 723.

Oscar St. Clair received nine dollars and eighty cents, for do section thirty, vide voucher 1,480.

W. G. Clarke received eighty-three dollars and sixty cents, for do section thirty and thirty-one, vide voucher 1,089.

A. Wilder received one hundred and twenty-six dollars and eight-four cents, for do, section thirty, vide voucher 1,086.

Aldrich Sinclair received eighty-two dollars and sixty-nine cents, for do, section twenty-eight, vide voucher 1,626.

W. G. Clarke received sixty-four dollars and forty cents, for do, section thirty, vide voucher 1,728.

S. Brayman received six dollars for drawing timber on section twenty-eight, vide voucher 1,431.

Amos Hess received five dollars for drawing timber on section twenty-nine, vide voucher 1,162.

John Haly received six dollars and seventy-five cents, for piling ribbon, vide voucher 1,160,

Thomas Wilson received thirteen dollars and twelve cents, for extra block timber, for wet swail on section twenty-eight, arising in consequence of the blocks being set nearer than the general design.

William G. Clark received one hundred and two dollars and seventy-five cents, for extra work, &c., on sections twenty-nine, thirty and thirty-one, vide voucher 1,613.

William Aldrich received twenty-six dollars and seventy-nine cents, for furnishing timber, &c., on section twenty-eight, vide voucher 1,620.

Jeremiah Haly received twenty-two dollars and twenty cents, for extra block timber for section twenty-four, arising from the necessity of using none but the largest size of that which was originally furnished; owing to the softness of foundation, vide voucher 1,035.

Henrick Wily and Graff & Haly received one hundred and thirty-four dollars, for do, vide vouchers 1,296 and 1,367.

Wolcott Peck received thirty-seven dollars and thirty cents, for do, vide voucher 1,156.

William G. Clarke received one hundred and sixty-seven dollars and seventy-three cents, for materials furnished and work performed on sections twenty-nine, thirty and thirty-one, vide voucher 903.

McManus & Vankleek contracted, 21st March, 1838, to furnish wedges for twenty miles, for which they have been estimated and paid, according to the terms of their contract, the sum of five hundred and twenty-five dollars in full.

T. G. Cole contracted, 2d December, 1837, to furnish ribbon sufficient to lay twenty miles of railroad. He has been estimated according to the terms of his contract, the sum of one thousand nine hundred and sixty-nine dollars and fifty cents; there remains yet to be estimated about four hundred and thirty-five dollars.

Lorren Throop contracted, 2d December, 1837, to furnish ribbon for four miles of railroad. He has been estimated, according to the terms of his contract, the sum of five hundred and forty dollars in full.

Walter P. Clarke contracted verbally, in the fall of 1838, to furnish all the ribbon that would be required for the road not then under contract, from three to four miles, of which he has furnished about 3½ miles, equal to four hundred and forty-three dollars and fifty-two cents, according to the terms of his contract. No final estimate has yet been made, nor any thing paid on the contract.

Crane & Whitney contracted, 21st March, 1838, to furnish timber for four miles of superstructure, including sections 32, 33 and 34, and one half mile of double track in Adrian. They have been estimated in full, the sum of eight thousand one hundred and forty-five dollars and thirty-eight cents, according to the terms of their contract. They also contracted to furnish timber, and lay all the culverts on the above sections, for which they have been estimated and paid the sum of eight hundred and sixty dollars and ninety cents in full.

A. Bartlett has received eighty-one dollars and twenty-five cents for furnishing timber for section 32, vide voucher 1,635.

Samuel Nash has received twenty-three dollars and fifty-six cents for drawing timber on section 32, vide voucher 1,619.

S. Crane & Co. have received forty-three dollars and forty-five cents for materials furnished, and labor performed on platform at Adrian, vide voucher 1,814.

James Bently received thirty-seven dollars and twenty-eight cents for timber furnished by order of the engineer, vide voucher No, 617.

George W. Strong has received six dollars for drawing timber, vide voucher 1,422.

| | | | | | |
|---------------------|-----------|---------|-------------------------|------------|-------|
| W. W. Gale | has rec'd | \$10 00 | for transp. spike, | vide vou'r | 819 |
| W. Parker, | do | 15 00 | do | do | 947 |
| T. G. Cole, | do | 79 00 | for spike, | do | 820 |
| Degraff & Townsend, | | 46 88 | do | do | 632 |
| J. Eldred & Son, | | 167 63 | do | do | 1,157 |
| do | | 321 75 | do | do | 637 |
| J. Q. Adams, | | 6 60 | } for transp. of spike, | do | 589 |
| do | | 41 75 | | do | 551 |
| do | | 52 12 | | do | 548 |
| do | | 3 56 | | do | 520 |
| William Wickham, | | 9 00 | do | do | 1,790 |
| William H. Boyd, | | 11 00 | for nails, | do | 596 |
| L. Palmer & Co., | | 22 00 | do | do | 638 |
| Codd & Ferguson, | | 20 00 | for various duties and | | |
| furnishing timber, | | | | do | 1,642 |

Superstructure for Dundee Branch.

Alonzo Curtis contracted, 5th September, 1838, to furnish timber for about four miles of superstructure on sections 1, 2, 3 and 4, of the Dundee branch railroad, for which he has been estimated, according to the terms of his contract, the sum of four thousand nine hundred and twenty dollars and ninety-four cents, and three hundred seventy-five dollars and seventy-five cents, for bridges and culvert timber, &c., &c.

Superstructure for Branch on north side of River Raisin, in the city of Monroe.

Sealed proposals were received in December, 1838, in accordance with a resolution of the board of internal improvement, to build a bridge across the River Raisin at Monroe, and to construct a branch road on the north side of the River Raisin, about two miles in length. The proposals were opened and the contracts declared to belong to J. J. Godfroy, Jefferson L. Bond, W. Tuthill and J. C. Hogeboom.

The contractors were suffered to progress with the work, with an understanding that they were to enter into a written contract. As soon as it was understood that the legislature of last year would not sustain the measure, they were ordered to stop work, with a verbal understanding that they were to be paid for all the work they had done, though the state could make no immediate use of the timber got out for the road.

James J. Godfroy has been estimated, for timber delivered and piled at Stony creek, according to the terms of his proposal, \$469 59, in full for the timber contract.

Jefferson L. Bond claims on the above contract, the sum of about \$500 or \$600 dollars for timber delivered in Monroe and

Stony creek. He has received pay in part for the same. No estimate in full has yet been made or vouchers rendered.

Wm. Tuthill has presented a claim of about \$400 for timber delivered at his mill, which has not yet been allowed, though he has received a part of that amount in advance for timber.

Grading and laying superstructure—First division.

Clark and Cole contracted, 21st March, 1838, to grade and lay the superstructure of thirty-one miles and branches, for the sum of \$2,700 per mile, excepting the grading of sections 19, 20, 21 and 22, which was let to P. & T. Munson, and McKey and Clarke, by the cubic yard, let the same be more or less, the expense of which was to be deducted out of the price per mile, contracted for by Clark and Cole. They (Clark and Cole,) have been estimated, according to the terms of their contracts, the sum of \$84,254 50, (deduct amount paid P. and T. Munson, McKey, Clarke and Anderson, for grading sections 19, 20, 21 and 22, the sum of 5,146 53, leaving a balance paid to Clark and Cole,) on the original contract of \$79,107 97. The work is considered complete, excepting laying down about four miles of ribbon, seven or eight miles of iron, two or three small culverts, and several farm and highway crossings, estimated in all to cost not over \$1,000.

It may be proper to remark that they also claim, under their contract, that the state is to pay them for distributing the iron rails along the line of the road.

They have also received \$1,376, for work performed arising from the necessity of altering the design of construction in order to overcome such difficulties as quicksands, &c., &c., and for ditching out of the line of road, the sum of \$203 75.

Jerry Moloy has received \$219 42, for ditching out of the line of road, to drain sections 3, 4, 5, 6 and 7, vide voucher 826.

Mathew Gibson has received \$17 50 for ditching out of the line of road, vide voucher 1,760.

Adam Schryver received \$43 20 for ditching out of the line of road, vide voucher 1,629.

James Finney has received \$689 57 for ditching out of the line of road, to drain sections 13 to 18 inclusive, vide vouchers 828 and 1,391.

L. G. Budlong has received \$225 for ditching out of the line of road to drain sections 31 and 32, vide voucher 869.

James Carty & Co. has received \$596 45 for ditching out of the line of road, vide voucher 1,428.

Jerry Moloy has received \$60 48 for ditching out of the line of road to drain sections 7, 8, 9, 10, vide voucher 1,502.

P. & T. Munson contracted, 17th April, 1838, to grade sections 19 and 20, by the cubic yard; they have been estimated

and paid in full, \$2,084 12, according to the terms of their contract, which amount is to be paid by Clarke and Cole, and deducted out of their final estimate.

McKey and Clarke contracted, 21st March, 1838, to grade sections 21 and 22, by the cubic yard; they have been estimated the sum of \$2,694 90, according to the terms of their contract. The work is not yet finished, there remains to be done, in order to complete their contract, work to the amount of \$367 51, making the whole cost \$3,062 41, which is to be paid by Clarke and Cole, and deducted out of their final estimate.

McKey and Clarke have also received \$427 32 for excavating a ditch one half a mile in length, out of the line of road, near section 20, as per voucher rendered.

Crane and Whitney contracted, 21st March, 1838, to grade four miles of very heavy work, viz: sections 32, 33, 34 and 35, by the cubic yard. They have been estimated in full and paid, according to the terms of their contract, the sum of \$33,055 58. There is a trifle yet to be done in trimming of the banks, &c., which they will be required to do in completing their contract for laying superstructure.

They also contracted October 10, 1838, to lay the superstructure on sections 32, 33, 34 and 35, including all necessary branches in Adrian. They have been estimated, according to the terms of their contract, the sum of \$5,075 00, and for work not included in the contract, viz: securing the road against quicksands, ditching on each side and filling in horse path. They have been estimated and paid the sum of \$801 25. The work is incomplete—it will require the further sum of about \$1,250 00 to finish it.

Anthony McGuire has received \$48 25 for ditching out of the line of road, to drain section 32, vide voucher 1,695.

Grubbing, grading, and laying the superstructure of Dundee Branch Railroad.

Samuel Barber & Co. contracted, 5th September, 1838, to grub, grade and lay the superstructure of the Dundee branch railroad for \$1,700 00 per mile, of which he has been estimated, according to the terms of his contract, the sum of \$6,214 25, and \$379 96 for small bridges and culverts. The work is complete excepting about \$100 00 reserved for laying the iron.

Bridge work on first division Southern Railroad.

Edward H. Watroes contracted, 21st March, 1838, to furnish timber and complete the workmanship of bridges across both branches of Plumb creek. He has been estimated and paid, according to the terms of his contract, the sum of \$2,290 00. Contract completed.

Lincoln & Kenyon contracted, 7th April, 1839, to furnish

timber and complete the workmanship of lattice bridge, over the River Raisin, at Petersburg, for which they have been estimated and paid, according to the terms of their contract, the sum of \$2,489 09. Contract complete.

T. G. Cole received \$40 00 for excavating for abatments of Petersburg bridge, not enumerated in the above contract, vide voucher 618.

William Bennett received \$14 00 for excavating, &c., vide voucher 616.

George Alfred received \$20 00 for work performed at bridge pier in river, not enumerated in contract, vide voucher 1,424.

Geo. Barney disbursed \$124 07 for work &c., vide voucher 1,425.

S. Crane & Co. have received \$78 97 for painting bridge at Petersburg, vide voucher 1,797.

Jos. A. Kent received \$40 50 for painting bridge, &c., vide voucher 1,796.

Barker & Winans contracted 21st March, 1838, to furnish the timber and complete the workmanship of bent bridge, across flats at Petersburg, for which they have been estimated and paid the sum of \$9,827 00 according to the terms of their contract.

Cleveland & Norris received \$106 70 for timber for culverts in ravines in the village of Petersburg, vide vouchers 88 and 1,309.

John Hagedorn received \$48 60 for timber, &c., vide vouchers 1,173.

Jos. Lapoint received \$9 00 for timber, &c., vide voucher 1,689.

Anthony McKey contracted 21st March, 1838, to furnish timber and construct a bent bridge over a creek at Deerfield, on section 21, for which he has been estimated and paid, according to the terms of his contract, the sum of \$995 32. Contract complete. He has also received for furnishing timber and laying culverts on said section, \$235 70.

Isaac Pulman has received \$17 20 for furnishing timber, &c., for culvert on section 28.

Brock & French contracted 21st March, 1838, to furnish the timber and construct bridge over the River Raisin at Leroy, on "Long's patent," with a deck roof, for which they have been estimated and paid, the sum of \$4,410 00. Contract complete.

They also contracted, at the same time, to furnish the timber and complete the workmanship of a bent or trestle bridge over the flats at Leroy, for which they have been estimated and paid the sum of three thousand and sixty-five dollars. Contract complete.

They also received one thousand eight hundred and ninety-

four dollars and thirty-six cents, for furnishing timber and driving 402 piles, framing the heads of them to sills, and supplying 2,247 feet lineal of counter-hewn timber, and laying it in abutments, excavating for abutments, &c., &c., vide voucher 1,045. They have also received the sum of four hundred and ten dollars for furnishing all materials, including iron hammer, and performing workmanship of piling machine, vide voucher 1,045. Joseph A. Kent has received three hundred and seventy-two dollars and eighty-five cents, for painting Leroy bridge, vide voucher 1,733.

Lorren Throop has received the sum of \$19 50 for removing floodwood and cutting down a large tree that was leaning towards and endangering said bridge, vide voucher 1,684.

Crane & Whitney contracted, the 21st of March, 1888, to furnish timber and construct the bent or trestle bridges between Leroy and Adrian, for which they have been estimated and paid, according to the terms of their contract, the sum of two thousand four hundred seventy-five dollars thirty-seven cents, in full.

The following is a tabular statement of all the estimates and expense of the several kinds of work, under their respective heads:

SENATE DOCUMENTS.

Grubbing and clearing, First Division.

| Date of contract. | Names of contractors. | Nature of work. | Actual work estimated and performed. | Am't work to be performed. | Total cost when finished. | Remarks. |
|-------------------|------------------------------|------------------------|--------------------------------------|----------------------------|---------------------------|-------------------------------------|
| Dec. 21, 1837. | John P. Prouss, | Grubbing and clearing. | \$2,545 00 | | | Abandoned the work before complete. |
| Verbal contract. | Codi & Ferguson, | do | 99 37 | | | |
| do | John Prouss, | do | 190 00 | | | |
| do | John S. Brown and J. Martin, | do | 25 50 | | | |
| do | Walter Peck, | do | 64 50 | | | |
| do | Clarke & Cole, | do | 503 00 | | | |
| do | do | do | 455 30 | | | |
| do | J. P. Carpenter, | do | 579 00 | | | |
| Dec. 21, 1837. | Samuel Stone, | do | 340 00 | | | |
| do | Lynn & Howard, | do | 150 00 | | | do |
| do | L. G. Ballou, | do | 1,374 00 | | | do |
| do | H. L. Stewart, | do | 700 00 | | | |
| Verbal contract. | Calvin Crane, Braman, Hoag, | do | 36 00 | | | |
| do | P. & T. Munson, | do | 198 00 | | | |
| do | D. C. Pratt & P. W. Moore, | do | 185 00 | | | |
| Dec. 21, 1837. | O. M. Reed, | do | 110 00 | | | |
| do | A. McKee, | do | 495 60 | | | |
| do | D. B. Miller, | do | 93 00 | | | |
| do | Walter G. Clarke, | do | 425 00 | | | |
| do | O. Butler, | do | 923 76 | | | do |
| Verbal contract. | Burr & Braman, | do | 13 50 | | | |
| August, 1838. | Asa Winter, | do | 1,665 00 | | | |
| Verbal contract. | do | do | 406 00 | | | |
| March 21, 1838. | Daniel Clarke, | do | 436 50 | | | |
| Verbal contract. | W. G. Clarke, | do | 13 50 | | | |
| April 17, 1838. | French, Vail & McAdam, | do | 1,009 00 | | | |
| Verbal contract. | M. Gibson, | do | 83 75 | | | |
| do | W. Peck, | do | 84 25 | | | |
| do | A. Schryver, | do | 68 00 | | | |
| | | | \$1,592 92 | | \$12,592 92 | Total grubbing and clearing. |

Superstructure, timber, &c.

| Date of contract. | Names of contractors. | Nature of work. | Am't of work estimated and performed. | Am't work to be performed. | Total cost when finished. | Remarks. |
|-------------------|---------------------------------|--------------------------|---------------------------------------|----------------------------|---------------------------|-------------------------------------|
| Dec. 21, 1837. | Luther Harvey, | Timber for superstr' re, | \$12,020 61 | | | |
| Verbal contract. | Lewis & Bice, | do | 138 60 | | | |
| do | H. Miller, W. Bice and J. Foly, | do | 180 75 | | | |
| do | Wadsworth, Lewis & Mason, | do | 122 87 | | | |
| do | H. Stone, Gale & J. Stone, | do | 124 35 | | | |
| do | Elijah Alford, | do | 6 00 | | | |
| do | Sebas Lewis, | do | 53 50 | | | |
| do | William Tuthill, | do | 32 40 | | | |
| do | Stewart & Darrah, | do | 37 79 | | | |
| do | Isaac Lewis, | Cast iron for do, | 1,722 12 | | | |
| do | J. C. Garwood, | Workmanship on iron, | 11 51 | | | |
| Dec. 21, 1837. | Barker & Winans, | Timber for superstr' re, | 9,033 04 | | | |
| Verbal contract. | Luther Darriel, | do | 25 68 | | | |
| do | Carney & Gregory, | do | 9 00 | | | |
| do | William Fletcher and D. Nhare, | do | 24 54 | | | |
| do | Carney & Gregory, | do | 101 62 | | | |
| do | R. McNeil and J. S. Brown, | do | 107 34 | | | |
| Dec. 21, 1837. | Walter G. Clarke, | do | 6,058 40 | | | |
| Verbal contract. | do | do | 243 20 | | | |
| do | James Totten, | do | 36 00 | | | |
| do | Hiram Rice, | do | 73 94 | | | |
| do | Adam Schryver, | do | 28 00 | | | |
| Dec. 21, 1837. | Anthony McKay, | do | 1,298 21 | | | |
| Verbal contract. | James Keegan, | do | 17 13 | | | |
| Dec. 21, 1837. | Crane & Whitray, | do | 2,469 10 | | | |
| do | O. M. Rood, | do | 1,151 70 | | | |
| do | do | do | 57 50 | | | |
| Verbal contract. | Butler & Washburn, | do | 3,153 00 | | | |
| Dec. 21, 1837. | L. G. Rudlong, | do | 6,230 00 | | | |
| do | Calvin Burnham, | do | 107 10 | | | |
| Verbal contract. | Pulman & Wilson, | do | 128 16 | | | |
| do | Isaac Wilcox, | do | 179 19 | | | |
| do | David Russell, | do | 24 00 | | | |
| do | do | do | | | | Abandoned the work before complete. |

Superstructure, timber, &c.

| Date of contract. | Name of contractor. | Nature of work. | Am't work estimated and performed. | Amount work to be performed. | Total cost when finished. | Remarks. |
|-------------------|-------------------------------|--------------------------|------------------------------------|------------------------------|---------------------------|----------|
| Verbal contract. | B. W. Moore, | Timber for superstr' re, | \$150 30 | | | |
| do | Orry Adams, | do | 09 30 | | | |
| do | Calvin Burnham, | do | 90 00 | | | |
| do | Pulman & Wilcox, | do | 103 74 | | | |
| do | George Soule, | do | 139 80 | | | |
| do | P. Manson, | do | 48 85 | | | |
| do | Lewis Trombly, | do | 14 37 | | | |
| do | Codd & Ferguson, | do | 192 67 | | | |
| do | Oscar Sinclair, | do | 11 41 | | | |
| do | B. W. Moore, | do | 487 28 | | | |
| do | Calvin Burnham, | do | 82 00 | | | |
| do | P. & T. Munson, | do | 63 62 | | | |
| do | Richard Peters, | do | 20 00 | | | |
| do | D. C. Pratt, | do | 69 58 | | | |
| do | Burs & Braman, | do | 33 20 | | | |
| do | Joel Carrier, | do | 42 87 | | | |
| do | do | do | 355 53 | | | |
| do | Benjamin Clarke, | do | 18 00 | | | |
| do | Artemas Wilder, | do | 42 50 | | | |
| do | Oscar Sinclair, | do | 9 80 | | | |
| do | W. G. Clarke, | do | 83 63 | | | |
| do | Artemas Wilder, | do | 126 84 | | | |
| do | Aldrich & Sinclair, | do | 89 69 | | | |
| do | W. G. Clarke, | do | 61 40 | | | |
| do | S. Braman, | do | 6 00 | | | |
| do | Artemas Hays, | do | 5 00 | | | |
| do | John Haly, | do | 6 75 | | | |
| do | Thomas Wilson, | do | 13 12 | | | |
| do | W. G. Clarke, | do | 102 75 | | | |
| do | William Aldrich, | do | 26 79 | | | |
| do | Jeremiah Haly, | do | 29 20 | | | |
| do | Henrick, Willy, Graft & Haly, | do | 134 00 | | | |
| do | Wheat Peck, | do | 87 26 | | | |
| do | W. G. Clarke, | do | 187 74 | | | |

[illegible]

Grading, ditching, &c.

| Date of contract. | Names of contractors. | Nature of work. | Am't work estim'd and performed. | Am't work to be per- formed. | Total cost when fin- ished. | Remarks. |
|-------------------|-----------------------|-------------------------|--|------------------------------------|-----------------------------------|---------------|
| March 21, 1838. | Clark & Cole, | Grading & laying sup, | \$79,107 97 | \$1,000 00 | | |
| Verbal contract | do | Ditching. | 203 75 | | | |
| do | Jerry Moloy, | do | 219 42 | | | |
| do | Malow Gibson, | do | 17 50 | | | |
| do | Adon Schryver, | do | 43 20 | | | |
| do | James Finney, | do | 689 57 | | | |
| do | L. G. Hudlong, | do | 225 00 | | | |
| do | James Carty, | do | 596 45 | | | |
| do | Jerry Moloy, | do | 60 49 | | | |
| April 17, 1838. | P. & T. Munson, | Grading, do | 2,084 12 | 367 51 | | |
| do | McKey & Clarke, | | 2,694 90 | | | |
| do | do | Ditching, | 427 32 | | | |
| March 21, 1838. | Crane & Whitney, | Grading, | 83,055 56 | | | |
| Oct. 10, 1838. | do | Laying superstructure, | 5,075 00 | 1,250 00 | | |
| Verbal contract | do | Filling in horse path, | 801 25 | | | |
| do | Anthony McGuire, | Ditching, | 49 25 | | | |
| Sep. 5, 1838. | S. Barber & Co., | Grading, etc. Dundee br | 6,214 25 | 100 00 | | |
| do | do | Timber & con. bridges, | 379 96 | | | |
| | | | \$131,943 25 | \$2,717 51 | \$134,661 46 | Total grading |

SENATE DOCUMENTS.

Culverts, bridges, &c.

| Date of contract. | Names of contractors. | Nature of work. | Am't work estimated and performed. | Am't work to be performed. | Total cost when finished. | Remarks. |
|-------------------|-----------------------|---------------------------|------------------------------------|----------------------------|---------------------------|----------------|
| March 21, 1838. | Edward H. Walross, | Furnishing timber, etc., | \$1,290 00 | | | |
| April 7, 1838, | Thomas Lincoln & Co., | do | 2,489 00 | | | |
| Verbal contract. | T. G. Cole, | Excavating for abutments, | 40 00 | | | |
| do | W. Bennett, | do | 14 00 | | | |
| do | George Alford, | Bridge pier in river, | 30 00 | | | |
| do | George Barney, | do | 120 07 | | | |
| do | S. Crane & Co., | Painting bridges, | 73 37 | | | |
| do | J. A. Kent, | do | 40 50 | | | |
| March 21, 1838. | Barber & Winans, | Furnishing timber, etc., | 9,827 00 | | | |
| Verbal contract. | Cleveland & Norris, | do culverts, | 106 70 | | | |
| do | John Higdon, | do | 48 00 | | | |
| do | Joseph Lapoint, | do | 9 00 | | | |
| March 21, 1838. | Anthony McKee, | do bridges, | 925 32 | | | |
| Verbal contract. | do | do culverts, | 235 70 | | | |
| do | Isaac Pulman, | do | 17 90 | | | |
| March 21, 1838. | Brock & French, | do bridges, | 4,610 00 | | | |
| do | do | do | 2,045 00 | | | |
| do | do | do | 1,334 36 | | | |
| do | do | Piling Machine, etc., | 440 00 | | | |
| Verbal contract. | J. A. Kent, | Painting bridges, | 372 35 | | | |
| do | Lorren Throop, | Removing flood wood, | 39 50 | | | |
| March 21, 1838. | Crane & Whitney, | Furnishing timber, etc., | 2,413 37 | | | |
| | | | \$22,978 23 | | \$22,978 23 | Total bridges. |

Recapitulation, First Division.

| No. of divi- sion. | Nature of work. | Amount of work perform- ed. | Amount of work to be performed. | Total cost of work when completed. |
|---------------------------------|--|-----------------------------------|---------------------------------------|--|
| 1st div. & br'ches | Grubbing, clearing, &c., | \$12,592 92 | | \$12,592 92 |
| | Timber for superstructure, &c., | 67,336 91 | \$1,878 52 | 69,215 43 |
| | Grading, laying superstructure, ditching, &c., | 131,943 95 | 2,717 51 | 134,661 46 |
| | Furnishing timber, constructing bridges, &c., | 28,978 23 | | 28,978 23 |
| | Total, | \$240,852 01 | \$4,596 03 | |
| Total cost of 39 miles of road, | | | | \$245,448 04 |

Second division of Southern railroad.

Written contracts have been entered into for the execution of the whole work on this division, except for the formation of horse path, furnishing of wedges and coupling planks, &c.

There have been two cases of extra allowance made to contractors on this division, and those cases, it will be seen, were anticipated by a clause in the contract, "that any extra expense incurred by a change in the location of the line, should be estimated by the engineer having charge of said work." In pursuance of that provision, Clarke and McKey have been estimated, for grubbing and clearing, the sum of \$250; and Frederick Fowler the further sum of \$390, on account of changing the location of the line, manifestly to the interest of the state, after the contracts were let, and in several cases after the work was commenced and partially finished on the original line. According to your request, (in September last,) I have examined section 21 of the second division, in relation to an application from Brown and Harvey for a release of that part of their contract, or an extra allowance for grading said section. Under a resolution of the board of internal improvement, that in case there was any unforeseen difficulty arising in the prosecution of the work, the acting commissioner shall have power to make such allowance as may be just and equitable and for the best interest of the state. No extra allowance has been made in the estimates up to the present time. I am confident, after a careful examination of the subject, that Messrs. Brown and Harvey cannot complete the work on section 21, at the present price of 20 cents per cubic yard, for hard pan, without sustaining a heavy loss on their part, and that 30 cents per cubic yard would be no more than a fair equivalent for excavating the remaining portion of the hard pan on section 21.

The following is a tabular statement of the second division:

Statement of cost, &c., of Second Division, Southern Railroad.

| Date of contract. | Contractors names, nature of work, and number of sections. | Am't work estimated and performed. | Am't work to be per- formed. | Total cost when fin- ished. |
|-------------------|---|--|------------------------------------|-----------------------------------|
| Oct. 10, 1838. | Brown & Harvey, grading on secs. 18, 19, 20, 21, 24, 25, | \$8,264 45 | \$15,758 00 | \$24,022 45 |
| do | J. P. Cook & Co., grading on secs. 26, 27, 28, 29, 30, 31, 32, | 22,689 33 | 13,345 54 | 36,014 87 |
| do | James Murphy, grading on secs. 1, 2, 3, 4, 7, 8, | 15,100 39 | 5,781 85 | 20,882 34 |
| do | Clarke & McAdam, grading on secs. 9, 10, 13, | 7,878 97 | 4,753 82 | 12,632 79 |
| do | John Crowley, grading on secs. 11, 12, | 3,389 90 | 1,729 64 | 5,118 44 |
| do | Ezekiel Pierce, grading on secs. 15, 17, | 3,737 44 | 2,975 00 | 6,712 44 |
| do | J. A. Cavan & Co., grading on secs. 22, 23, | 5,459 28 | 1,310 00 | 6,769 28 |
| do | Wm. G. Clarke, grading on secs. 5, 6, | 4,063 59 | 1,485 84 | 5,554 43 |
| do | E. H. Winans, grading on sec. 14, | 10,591 34 | 50 00 | 10,641 34 |
| do | Charles Molden, grading on sec. 16, | 2,620 50 | | 2,620 50 |
| do | Brown & Harvey, mud sills, ties and rails, 20, 21, 22, 23, 24, 25, | 9,319 04 | 873 60 | 10,232 64 |
| do | H. & F. Fowler, mud sills, ties and rails, 26, 27, 28, 29, 30, 31, 32, | 5,592 21 | 1,123 79 | 6,716 00 |
| do | J. P. Cook & Co., rails, 29, 30, 31, 32, | 1,080 00 | 947 58 | 2,027 58 |
| do | E. C. Winter, ties 1, 2, 3, 4, mud sills and rails, 1, 2, | 2,997 90 | 905 00 | 3,902 90 |
| do | C. W. Beers, ties, 5, 6, 7, 8, mud sills and rails, 3, 4, 5, | 3,591 90 | 109 00 | 3,700 90 |
| do | J. Raymond, rails, 11, 12, 13, | 300 00 | 1,220 64 | 1,520 64 |
| do | E. W. Hook, rails, 3, 4, 5, | 1,128 00 | 234 24 | 1,362 24 |
| do | E. D. Ambler, rails, 26, 27, 28, | 200 00 | 975 59 | 1,235 59 |
| do | Knapp & Park, mud sills and ties, 11, 12, 13, 14, 15, 17, 18, 19, | 7,536 84 | 494 86 | 8,031 70 |
| do | Timothy Ludlum, mud sills and ties, 6, 7, 8, 9, 10, | 2,856 50 | 613 70 | 3,511 20 |
| do | Angus Finney, rails, 14, 15, 16, 17, 18, 19, | 2,070 00 | 591 12 | 2,661 12 |
| do | E. H. Winans, ties and mud sills, 15, | 1,091 00 | | 1,091 00 |
| do | Albert Elliott, rails, 6, | | 506 88 | 506 88 |
| do | Joseph Vayham, rails, 7, ties, 10, | 340 00 | 462 89 | 823 89 |
| do | E. H. Winans, laying superstructure, 1 to 21 inclusive, | | 17,975 00 | 17,975 00 |
| do | Brown & Harvey, laying superstructure, 22, 23, 24, 25, | | 2,400 00 | 2,400 00 |
| do | J. P. Cook & Co., laying superstructure, 26, 27, 28, 29, 30, 31, 32, | | 6,125 00 | 6,125 00 |
| do | E. H. Winans, bridging, &c., 1, 6, 8, 10, 11, 12, 15, 16, 17, 18, 26, 28, 32, | 19,330 59 | 7,427 50 | 26,758 09 |
| do | P. B. Kinne, brdg. foundation, &c., 28, | 1,355 00 | 1,070 00 | 2,425 00 |
| do | E. H. Winans, wedges and coupling plank, 1 to 21 inclusive, | | 1,949 28 | 1,949 28 |
| do | Clarke & McKay, grubbing and clearing, 1 to 16 inclusive, | 6,500 00 | 300 00 | 6,800 00 |
| Aug. 10, 1838. | | | | Extra work, 2000.00 |

Statement of cost, &c., of Second Division, Southern Railroad—Continued.

| Date of contract. | Contractors names, nature of work, and number of sections. | Am't work estimated and performed. | Am't work to be performed. | Total cost when finished. | |
|-------------------|--|------------------------------------|----------------------------|---------------------------|------------------------|
| Sept. 10, 1838 | Clarke & Dinamore, grubbing and clearing, 17, 18, 19, 20, | \$1,755 00 | | \$1,755 00 | |
| do | J. A. Colvin & Co., grubbing and clearing, 21, 22, 23, 24, | 1,300 00 | \$300 00 | 1,600 00 | |
| do | H. & F. Fowler, grubbing and clearing, 25 to 32 inclusive, | 1,875 00 | | 1,875 00 | Extra work, \$390 |
| Aug. 1, 1839 | H. & F. Fowler, bridging on piles, | | 1,500 00 | 1,500 00 | |
| do | Horse path not under contract, | | 3,000 00 | 3,000 00 | |
| do | Estes & Vrankin, ties, 9, rails, 8, 9, 10, | 678 50 | 1,156 94 | 1,837 44 | |
| do | H. Fowler, culvert, | 15 40 | | 15 40 | |
| do | William L. Kinne, transporting piling machine, | 38 75 | | 38 75 | |
| do | Rufus Davis, for constructing piling machine, | 200 00 | | 200 00 | |
| do | William W. Johnson, transporting piling machine, | 10 00 | | 10 00 | |
| do | William Moore, transporting piling machine, | 8 00 | | 8 00 | |
| | | \$154,870 40 | \$105,463 26 | \$260,333 66 | Extra work bro't down. |
| | | | | 690 00 | |
| | | | | \$261,023 66 | |

Recapitulation, Second Division.

| Nature of work. | Amount of work performed. | Amount of work to be performed. | Total cost of work when completed. |
|---|---------------------------|---------------------------------|------------------------------------|
| Grubbing and clearing, | \$11,490 00 | \$600 00 | \$12,090 00 |
| Timber for superstructure, | 38,882 57 | 12,226 97 | 51,109 54 |
| Grading, | 83,780 09 | 55,188 79 | 138,968 88 |
| Laying superstructure, | | 27,500 00 | 27,500 00 |
| Furnishing timber, const'g bridges, &c., | 20,445 59 | 9,947 50 | 30,393 09 |
| Grubbing extra, | 690 00 | | 690 00 |
| Paid sundries for constructing and transporting piling machine, | 272 15 | | 272 15 |
| Total, | \$155,560 40 | \$105,463 26 | |
| Total cost of second division, | | | \$261,023 66 |
| Add total cost of first division, | | | 245,448 04 |
| Aggregate cost of first and second divisions, S. R. R., | | | \$506,471 70 |

Recapitulation.

| | |
|---|-------------------|
| Amount due on outstanding contracts, when they shall have been completed, | \$110,059 29 |
| Amount paid to contractors, by estimates and otherwise, | <u>396,412 41</u> |

The above statement of work performed does not exhibit the precise amount actually paid to contractors, as there is several thousand dollars in estimates now in their hands, which have not been paid. There is also something due the engineers for services.

All which is respectfully submitted.

JOSEPH S. DUTTON,
Engineer S. R. R.

January, 1840.

Total recapitulation.

| | |
|--|------------------|
| Amount due on all existing contracts, when the same shall have been completed, | \$423,192 85 |
| Amount due contractors on estimates afloat and per centages retained, to January 31, 1840, | <u>49,767 42</u> |

[No. 48.]

Report of Minority of the Committee on Claims, relative to claim of Lieutenant Governor.

The minority of the committee on claims, to whom was referred the claim of the late lieutenant governor, for services as acting governor, at different periods during the year 1839, reports:

That however equitable the claim above referred to, may be in and of itself, the principle upon which it is founded should, in the opinion of the minority of your committee, be thoroughly examined before any decisive action can properly be had by the legislature; and for the purpose of coming at a fair understanding of the matter under consideration, it will be necessary to take a cursory view of the practice that has obtained since the formation of our state government. The constitutional provision in relation to the salary of the executive, is as follows, to wit: "The governor shall, at stated times, receive for his services a compensation which shall neither be increased nor diminished during the time for which he has been elected." By reference to existing laws, it will be seen that the salary of the executive was fixed at \$2,000 per annum.

The minority of your committee proposes in this investigation, to inquire whether the law and the provisions of the constitution on this subject, which, under any circumstances, should be held most sacred, have been violated or not? and if so, to what extent, and under what circumstances? The following statement will show the amount that the people of Michigan have directly and indirectly paid for gubernatorial services which, according to law and the constitution, should have been performed for \$2,000 per annum:

Statement.

1837.

| | | |
|----------|---|----------|
| Feb. 8, | Paid S. T. Mason, quarter year's salary, from Nov. 1, 1836, to Feb. 1, 1837, | \$500 00 |
| May 20, | do for services, from Nov. 1, to Dec. 31, 1836, and quarter from January 1, to April 1, 1837, | 833 34 |
| July 1, | do for quarter year's salary, | 500 00 |
| Oct. 3, | do do do | 500 00 |
| Dec. 31, | do do do | 500 00 |
| Mar. 27, | do for quarter year's house rent, | 125 00 |

Carried forward,

SENATE DOCUMENTS.

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| | | | | | |
|------------------|---------------------------------|-------------------------------|----|--------|-------------------|
| Brought forward, | | | | | |
| July 1, | Paid S. T. Mason, | for quarter | | | |
| | | year's house rent, | | 125 00 | |
| Oct. 3, | do | do | do | 125 00 | |
| Dec. 31, | do | do | do | 125 00 | |
| May 29, | do | this amount of internal im- | | | |
| | | provement fund, | | 500 00 | |
| | | | | | <u>\$3,833 34</u> |
| Mar. 27, | do | C. C. Jackson, private se- | | | |
| | | cretary, | | 125 00 | |
| July 1, | do | do | do | 125 00 | |
| | | | | | <u>250 00</u> |
| Oct. 9, | do | C. C. Jackson private secre- | | | |
| | | retary, | | 125 00 | |
| 1838. | | | | | |
| Jan. 24, | do | do up to Dec. 1, 1837, | | 125 00 | |
| | | | | | <u>500 00</u> |
| June 29, | do | E. Mundy, for services as | | | |
| | | acting governor, previous | | | |
| | | to Jan. 1, 1838, | | | 666 00 |
| | | Less for quarter year's sala- | | | |
| | | ry overpaid governor Ma- | | | |
| | | son, | | | 500 00 |
| | | | | | <u></u> |
| | | Expenses of executive de- | | | |
| | | partment, from Nov. 1, | | | |
| | | 1836, to Jan. 1, 1838, | | | 4,499 34 |
| April 1, | Cash paid S. T. Mason, quar- | | | | |
| | | ter year's salary, | | 500 00 | |
| July 2, | do | do | do | 500 00 | |
| Sept. 30, | do | do | do | 500 00 | |
| Dec. 31, | do | do | do | 500 00 | |
| | | | | | <u>2,000 00</u> |
| | | | | | <u>6,499 34</u> |
| July 6, | Paid C. C. Jackson, private se- | | | | |
| | | cretary, for quarter year's | | | |
| | | salary ending June 30, '38, | | 125 00 | |
| Nov. 20, | do | for do Sept. 30, 1838, | | 125 00 | |
| Dec. 25, | do | for do Dec. 25, do | | 125 00 | |
| | | | | | <u>375 00</u> |
| 1839. | | | | | |
| Feb. 27, | do | for one month ending this | | | |
| | | day, | | 88 33 | |
| April 8, | do | S. T. Mason, quarter year's | | | |
| | | | | | <u></u> |
| | | Carried forward, | | | <u></u> |

SENATE DOCUMENTS.

| | | | |
|---|--|--------|-------------|
| Brought forward, | | | |
| salary, ending March 31, | | | |
| 1839, | | 500 00 | |
| | | <hr/> | 582 83 |
| " 27, | do Edward Mundy, for services as acting governor during the absence of the governor in year 1838, | 756 00 | |
| July 1, | do S. T. Mason, quarter year's salary, up to date, | 500 00 | |
| May 27, | do S. H. Porter, private secretary, quarter year's salary, up to date, | 125 00 | |
| Aug. 28, | do S. Humes Porter, private secretary, quarter year's salary, ending Aug. 26, 1839, | 125 00 | |
| Oct. 29, | do S. T. Mason, quarter year's salary, ending Sept. 30, 1839, | 500 00 | |
| Nov. 27, | do S. Humes Porter, quarter year's salary as private secretary, to date, | 125 00 | |
| | | <hr/> | 2,714 33 |
| 1840. | | | |
| Jan. 8, | S. T. Mason, salary as governor from Oct. 1, 1839, to date; 3 months 7 days, | 538 88 | |
| " 9, | do S. Humer Porter, private secretary, for services from Nov. 27, 1839, to Jan. 8, 1840; 41 days at \$500 per annum, | 56 94 | |
| | | <hr/> | 595 84 |
| Add amount claimed by lieutenant governor Mundy, for services as acting governor for different periods in 1839, about | | | 10,184 49 |
| | | | <hr/> |
| | | | 770 80 |
| | | | <hr/> |
| | | | \$10,954 49 |
| | | | <hr/> |

This statement shows that there has been drawn from the treasury of this state, including the claim under consideration, in three years for gubernatorial services, (including those of private secretary, which, in the opinion of the minority of your committee, is an unnecessary expenditure, for at least three

quarters of the year,) the sum of \$10,954 49, being an average of \$3,951 49 for each year; but deducting the amount paid to the private secretary, there stills remains the average yearly expenditure for executive services, the sum of \$3,188 07, or \$1,188 07 more for each year than could be constitutionally paid. The minority of your committee does not wish to cast any odium upon the persons that have heretofore administered the government of this state; but only to advert to the facts as they exist, for the purpose of showing the danger of the practice that has heretofore obtained in the executive department of government. It is a principle with the minority of your committee, and one which is believed to be in strict accordance with our republican institutions, that public officers should be held to a strict accountability; that the people should be made acquainted with all their official acts, and that the sum allowed them for their services should be liberal, but at the same time, it should be definite and not be exceeded. Should the question be asked of any of our citizens, what is the sum allowed to your governor annually? would the answer be \$3,200? Certainly not. The answer would be \$2,000, for that is the sum fixed by law, and the largest amount that can be paid to that officer for gubernatorial services, without increasing his pay, which would be a violation of the constitution; and it does not meet the case to call it house rent or any other name, for any act that cannot be constitutionally done directly, would be equally unconstitutional if done indirectly, it is also the amount which a large majority of the people of this state, suppose he receives, when in fact he has received nearly twice that sum. When any man in obedience to the wishes of the people, takes upon himself the performance of any official duty, it is right and proper, that he should receive a reasonable pecuniary compensation; but it is also proper, and what the people have a right to demand, when he has accepted the trust, that the service should be rendered. Having once undertaken to perform, for a given length of time, certain executive duties, can he by any act of his own, deprive the people of the right to a full and efficient discharge of the duties incumbent upon his station? He certainly can, for he may resign, but would his salary continue? He may be impeached, but would his salary continue? He may be deprived by death of discharging the duties of his office, but would his salary continue? He may absent himself from the state, and thereby become incompetent to discharge his duties, as he certainly would by that provision of the constitution, which declares, that "in the absence of the governor, the lieutenant governor shall discharge the duties of governor;" but in this case would his salary continue? Certainly not, for we cannot have more than one governor at the same time, and consequently, cannot

constitutionally, pay the salary of governor to more than one individual for the same period. From the facts above stated, it appears that the full sum contemplated or allowed by the constitution, for gubernatorial services has been paid, any further claims against the state for such services, being incompatible with the plain letter of that instrument is, therefore, wholly inadmissible, unless, at the same time provision should be made for the repayment of a corresponding sum, which has already been drawn from the treasury for that purpose.

All of which is respectfully submitted.

J. M. EDMUNDS.

[No. 49.]

Report of a Select Committee relative to a State Bank and branches.

The select committee, to whom was referred a resolution which passed the senate on the 15th of January, relative to the plan of a state bank and branches, have instructed me to report:

That they have had the suggestions appended to that resolution under consideration, and have contrasted them with various banks of circulation, which have been established since the year 1694, which is the date of the charter of the bank of England, the first bank of circulation of which we have any account, except the bank of Genoa. We have also kept in view the progressive advances that man has been making in commercial and banking transactions, for a century and a half past, and have not been unmindful of the changes that have been adopted in civil governments, but have borne in mind the systems of banking, that seem to be adapted to the monarchies of Europe, and those that are more congenial to our republican institutions, where legislation is for the multitude and not for an individual, nor for the aristocratic few.

In examining the progress of the bank of England, we find that in 1694, the government being under great embarrassment, it was induced to charter a bank with a capital of \$8,000,000 00, on condition that the bank would lend the government a like amount.

In 1793, the capital was increased \$5,000,000 00 more, making in the whole, \$11,000,000 00. The charter was first limited to eleven years; but the strength of the bank and the government were sufficient to obtain a renewal of the charter from time to time, with a gradual increase of its capital. In the year 1816, the capital of the bank was \$75,765,000, and

its loan to the government was \$665,00 more than its whole capital. And notwithstanding that it had suspended specie payment in the year 1797, and did not resume again until the year 1821, being 24 years, during which time the bills became twenty-five per cent. below par, and parliament were under the necessity of reducing the price of gold, to bring the bills to a par value; yet in 1833, the charter was again renewed for twenty years, and its bills were made a lawful tender in payment of all debts except to the bank and its branches.

But with all this capital, and all the influence of government, it does not seem to have given stability to the monetary affairs of the country, for there has been continual fluctuations in the currency, and failures among the private banks of the kingdom.

In 1800, the number of private banks were three hundred and eighty-six, and since that, their number has been increased, and joint stock companies have been added, so that the present number of banks exceed one thousand, besides those of Scotland and Ireland. The bank failures in England, in various years, have been as follows:

In the year 1793, the number of country banks that failed, was twenty-six, but the actual number that stopped payment was one hundred. From this time to 1800, eighty-seven commissions of bankruptcy were issued against country banks. In 1810, twenty-six commissions were issued, and between 1810 and 1814, twenty-nine commissions. In the years 1814, 1815 and 1816, the number of commissions issued were ninety-two. From that time to 1825, sixty-two more, and between October, 1825, and February, 1826, no less than fifty-nine; making in thirty-four years, three hundred and eighty-one bankrupt banks.

This is a short historical sketch of banking in the most wealthy, enlightened nation on earth, and the result clearly shows that there must be a deficiency in the system, or the operations would not be so disastrous to the world of mankind, and to the nation. We say to the nation, for while, as a nation, their wealth is greater than any other, still, as a nation, they have more paupers than any other. The currency of England is \$16 to each individual of its population, while that of the United States is \$8 12½; and yet, with this abundant wealth, there are one-eighth of the population of England that are paupers, which, with the numerous bank failures, above enumerated, clearly demonstrates that the monetary operations of the country are, by some means, diverted from their legitimate channels.

The next bank of circulation, was the royal bank of France, established in 1716, and though it lived little more than four years, it became more memorable than any other, from its

connection with one of the most ruinous and extensive schemes of speculation, which history records.

It was instituted under the auspices of the celebrated Scotchman, John Law, to assist the duke of Orleans, then regent of France, in paying off the public debt. It is sufficient to say of this bank, that shares that cost 160 livres, soon rose to 500, and then to 1000; based upon the argument that reputation was all that was necessary to make paper money as good as gold or silver. And to sustain the credit of the paper, the value of the liver was raised, then lowered and raised again; new coinage was instituted; the bills of the bank made a lawful tender; a fine imposed on any individual who should be found to have more than 500 livres in his possession, or any articles of gold or silver, or to make any payment of over 100 livres, except in bank notes. But all could not save the extravagant scheme from exploding; and during the prevalence of paper money, most of the coin of the nation found its way into foreign countries. Confidence was destroyed, and France, lately thought to be overflowing with wealth, now presented one general scene of poverty, distress and wretchedness.

The bank of Vienna is a government bank, and was established in 1703. Its funds having been too liberally used to pay the government creditors, it stopped payment in 1797; after which, its notes became depreciated paper money, so that in 1810, one florin in silver was worth thirteen in its bills.

The bank of Copenhagen was established in 1736, and having issued more notes, in making advances to government, than it was able to redeem, they finally became a depreciated paper money.

The assignation bank of St. Petersburg, the principal bank of Russia, is an imperial bank. Its notes constitute the chief currency of the country, though they have depreciated about one-fourth of their nominal value.

From the foregoing examinations, your committee are led to believe that the people of Michigan have very little reason to despair, as other countries, that are wealthy, powerful and experienced, have fallen into quite as great disorder in their financial operations, and have often found the enormous capitals of their banks, together with the strong arm of a monarchical or despotic government, insufficient to sustain the credit of their bills and keep them on a par with gold and silver.

And your committee have come to the further conclusion, that it is in vain for a government like ours, to look to the monarchies and despotisms of Europe for a model for banking institutions. Their systems are not in accordance with the genius of our political institutions; their banks have been established by kings, princes and aristocracies; and here they should be established to facilitate the commercial and more ordinary

transactions of the country, and so located and organized, as to extend their salutary and enlivening influence throughout all the ramifications of the body politic.

In deciding upon the system to be adopted, we have but very little to guide us; if we look to the past, on every hand we see ruin and bankruptcy, whether our view be far or near, whether we look to Michigan or Illinois, Alabama or Pennsylvania, England or France, America or Europe. That system of banking that has been practised upon, for near two centuries and a half, is yet incomplete; it has in very few instances furnished a paper currency that for any great length of time could be kept at par with gold or silver, and yet all agree that when bank bills or other paper are readily convertible into specie, that for many transactions in business, paper is preferable to specie.

It is, therefore, very desirable that a young and thriving commonwealth as Michigan is, with a population very equally divided, over a large extent of territory, that is now enjoying a large surplus of agricultural productions for exportation, with a lake coast of about twelve hundred miles, which, with the agriculture of our southern counties, and the fisheries and the minerals of the north, must inevitably make us a commercial people. With these prospects before us, we say, it is very desirable, at a time like this, when we are literally without banks, without currency, when we have daily demonstrations that even business men will keep their specie hid, while they can do business with a depreciated paper money. And while against the laws of our state, and against its general policy, our principal city has become a shinplaster peddler, when at the public houses, stores or common places of deal, it is difficult to get a sixpence of specie in exchange, in the common transactions of business. Under circumstances like these, it is desirable to organize a system of banking that will be durable, permanent and general throughout the state; in proportion to the talent, wealth and numbers of each section; for it is a fact that general prosperity cannot attend any portion of our state, while another portion is laboring under embarrassments. This has been illustrated by the stunted, puny growth of the city of Detroit, for more than a century and a half, after its settlement, and until the interior of the country began to be improved, since which time, Detroit has received most of its present wealth and numbers. And it is a maxim that holds good, that there is a direct proportion between the business of the city and of the country that surrounds it.

But in examining for a system of banking, among the many that have been in use, we shall be as destitute of a model as were the patriots of the revolution for a model for our general government; and like them, we must form our institutions to the nature of the case, and the genius of the people to be asso-

ciated; and such we find the plan appended to the resolution under consideration, which is,

First. To authorize the establishment of a state bank, to be located where the seat of government of this state is located, and the sole and only business of the state bank to be to keep the funds of the state, and to pay them out as directed by law; and to issue stock and bills to the branches, as hereinafter provided.

The governor, lieutenant governor, secretary of state, treasurer, auditor general, attorney general and superintendent of public instruction, to be the directors of the bank, for the time being, by virtue of their respective offices, and to have the general superintendence of giving out stock to the branches.

Second. That each county in this state shall have one bank, that now has, or when it shall hereafter have 5,000 inhabitants. The bank to commence operation when it obtains \$20,000 stock for each 5,000 inhabitants in said county. The stock to be obtained in the following manner: by paying into the county bank fifty dollars in specie, and by depositing with the state treasurer bonds and mortgages on real estate, lying within the county where the bank is located, to the amount of one hundred and fifty dollars, to authorize the secretary of state to issue to the person so depositing one hundred dollars in stock and one hundred dollars in notes, countersigned by the said secretary of state, to be filled out and signed by the officers of the bank to whom they belong.

Third. That the country banks may increase their capital to any amount they please. That the state nor the county banks, shall not at any time receive any deposits of money of the United States, nor the county banks of this state, except as special deposits.

Fourth. That whenever any county bank shall neglect or refuse to pay specie for its notes, it shall be the duty of the directors of the state bank to cause an injunction to be served on said bank, and its concerns to be settled as soon as possible, by selling the land given in security, and applying the avails to the paying of the debts of the bank.

Fifth. That all the banks organized under this law, in the counties, shall on a certain day in each month, (to be designated by the directors of the state bank,) deposite in the state bank, all the notes it has against other banks of a like organization, which notes shall be redeemed in specie, by the banks that issued them.

In contrasting the above plan, with the bank bill that was passed by the legislature of last winter, the first difference that we discover, is in the directorship of the state bank and branches. In section seventeen of the act "to establish the state bank of Michigan," is the following very extraordinary enactment; "and it shall not be lawful for any member of the legislature,

or the person administering the government of this state, the secretary of state, the auditor, treasurer or attorney general, any judge of the supreme or circuit court, bank commissioners, commissioner of internal improvement or superintendent of public instruction, or any person holding an office or appointment, under the authority of the general government, to hold the office of president, cashier or director of said bank, or any branch thereof, nor shall any stockholder of any other bank, be a director, president or officer of the said state bank."

By a further examination of the act, we find that there are eight directors of the state bank to be chosen by the legislature, and one by each branch, making seventeen, the president and cashier making nineteen; and nine directors to each branch, a president and cashier, making eleven to each branch, and nine branches make ninety-nine, which added to the officers of the state bank, makes one hundred and nine officers to be selected, to have charge of the finances of the state. But by the act above referred to, the five state officers, sixty-nine members of the legislature, all the judges of the supreme and circuit courts, all United States officers, including some three hundred postmasters, are excluded from holding the office of director of either the state bank or any of the branches, which appears to your committee very impolitic, for while we are of opinion that it is not policy for the state to invest any capital in banking, yet we are of opinion that it is a duty incumbent on government, to hold the general supervision of the financial operations of the state, and it should be made the duty of the executive and heads of the departments, to consider themselves accountable to the people, for the due observance and execution of all laws, relative to banks, as well as to the other institutions of the state. And as three of those officers, viz: the secretary, treasurer and auditor general, are selected with respect to their financial talents, the attorney general with respect to his legal talents, and the governor with respect to his general talents and wisdom, it is fair to infer that they with the other heads of departments, will constitute a talented and judicious set of directors to the finances of the state. And their dependence on, and accountability to the people, will be a powerful safe guard against fraud or negligence, and far more likely to secure the public against losses and impositions, than a set of directors, one half chosen by the legislature, and the other half chosen by intrusted incorporated institutions.

The manner of obtaining the stock, by the plan under consideration, also possesses its advantages, while it gives every man who has money and real estate, an opportunity of becoming a stockholder when he pleases, it can never be made a political institution, but will reverberate with the preponderance of public opinion. In respect to the great amount of

capital being unlimited, we know of but one precedent, and that is found in the general banking law of the state of New York, and your committee cannot foresee any evil that can result from it, while each section of the country has a like privilege. And the system under consideration has a decided advantage over the general banking law of the state of New York, inasmuch as it limits the number of banks, as a multiplicity of banks, with a limited capital, is always dangerous to the commercial transactions of a country, besides every additional bank, over what is necessary, adds some six or ten thousand dollars to the cost of the finances of the country. One year ago, the city of Detroit, had four banks, which were probably not managed on an average, at a cost of less than twelve thousand dollars a piece, making \$48,000, whilst the inhabitants of the county of Wayne are about twenty-four thousand, which would be two dollars per head, that each man, woman and child pays for the privilege of hiring money at seven per cent, and when we take into consideration the small proportion of the inhabitants who loan money at all, it will appear very evident, that some body pays a large sum for the privilege. And it is also evident to your committee, that one-half or three-fourths of the amount might be saved, by having but one banking institution in each county; besides, this would in a great measure avoid the petty rivalry that has been so annoying to banks, situated in the same vicinity. And it also has equal advantages over the safety fund system, which was confined to incorporated companies, which companies were incorporated at a great cost to the individuals receiving the charter, and great cost of legislation, which had to be paid for by the people. It became odious as a monopoly, for only the friends of the party in power could obtain charters. The commissioners to sell the stock were appointed from among their own partizans, and although subscriptions were received from all classes, yet the commissioners generally gave the stock to their favorites; the stock generally sold soon after being taken, at from ten to fifteen per cent, above par, which created disgust, and together with the corrupting tendencies of applications for legislative charters, spread discontent, politically revolutionized the state, and resulted in the general banking law, which, unfortunately for the state of New York, is too general, as was the former general banking law of Michigan; inasmuch as neither restricted the number of banks, and the banking mania was such, that in both states, banks were established in much too great numbers, where they were not needed, and where they could not be sustained.

Another feature in the plan under consideration, which was neglected in the general banking law of the state of New York, has received the attention of governor Seward. In his mes-

sage to the legislature of that state, he calls their attention to the propriety of requiring the banks to redeem their notes at one of the banks in the city of Albany or New York, which is only a modification of the plan of redemption, in the resolution under consideration; and the only plan by which bank paper can be equalized over our whole state, is to compel the banks that issue it, to redeem it once a month at the counter of the state bank.

Governor Seward, in speaking of the currency, says it partakes of the sovereignty of the state; and it is not, therefore, demanding an unjust or unreasonable equivalent, to require those who enjoy the privilege, to maintain a sound and uniform currency.

Your committee are aware that while money is scarce in Michigan, our bank paper depreciated, and commercial exchanges against us, that all real estate will decline rapidly in value, and it will fall far below its intrinsic worth, much to the injury of the state at large. And as the soil on which we live and labor, is the only original source of wealth, so your committee, consider real estate and the precious metals, as the only legitimate capital on which to establish a circulating medium. And it can not be doubted, but if a bank was established on the plan under consideration, that many capitalists residing in the eastern states, and owning land in Michigan, would furnish specie to put with their land, and convert both into bank stock, which would have a doubly beneficial effect on the interest of Michigan, as it would increase our cash capital, and keep up the price of our real estate.

There is one other subject which the committee have taken under consideration, although it is not embraced in the reference made to them. It is the rate of interest which the banks should be allowed to charge on their discounts. The value of money, in a country, is determined by the aggregate quantity of circulating capital, metallic money itself included. If that be abundant, interest will be as low as in England and Holland, and if it be scarce, interest will be high as in all the new states of our Union, and as has uniformly been the case in all new countries. Thus, in 1798, the federal government could not borrow money at less than eight per cent, but in 1815, it borrowed at four and a half. And all past experience, too, demonstrates that money will command a greater rate of interest in the new than in the Atlantic states. And your committee are of opinion, that no correct financier can for a moment doubt the propriety of allowing the banks, to be organized under this system, to receive eight per cent, for their discounts, and of making that the lawful interest on all contracts hereafter made.

Your committee also feel called upon to express their views
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relative to the issuing of small notes ; and they cannot better express their own minds than by an extract from Raguet, on banking, who says: "It is self evident, that just in proportion to the diminutive size of bank notes, authorized in a country, will be the supply and consequent circulation of gold and silver. In France, where no bank note of a less denomination than five hundred francs, (equal to ninety-four dollars,) is allowed to issue, the whole of the retail transactions of a community, of thirty millions of people, are carried on by the precious metals.

But unfortunately in the United States, the blindness of legislatures, and the avarice of bankers, has, at all times, since the existence of banks, led to the emission of small bills, with the exception of the United States bank and the Pennsylvania bank of the United States, which were not allowed to issue notes of a less denomination than ten dollars, and the new bank of Missouri, which can issue none of a less denomination than twenty dollars.

By an act of the legislature of Pennsylvania to prohibit the passing of small bills, passed 12th of April, 1828, which went into operation January, 1829, the same author says: "When the act took effect, the flood of small bills were forced back upon their issuers, and, as if by magic, silver was seen immediately to circulate in abundance, where there was nothing before but paper."

The successful issue of this enlightened policy of Pennsylvania, might have resulted in the expulsion of small notes from every state in the Union had it not been for the suspension of specie payments in May, 1837, which again deluged the country, from one end to the other, with a flood of small notes and tickets, and extinguished, in some legislatures, the lights of correct financial science, which were diffusing over the country such solid arguments as gold and silver.

SAMUEL ETHERIDGE,
Chairman Select Committee.

[No. 50.]

Report of the Majority of the Select Committee to whom were referred certain resolutions relative to the city banks.

The majority of the select committee to whom were referred the following resolutions to wit:

"*Resolved*, That a select committee be instructed to inquire into the expediency of bringing in a bill, requiring the president,

directors and company of the Farmers' and Mechanics' bank of Michigan, and the bank of Michigan, to resume the payment of specie on their notes in circulation, forthwith, or that their charters be forfeited; and also, a bill requiring the president, directors and company of the Farmers' and Mechanics' bank of Michigan, and of the bank of Michigan, to redeem at the counter of their several banking houses in this city, all their notes purporting to be payable at their different branches, on pain of forfeiture of their charters.

“Resolved, That said committee be further instructed to inquire into the expediency of bringing in a bill requiring said bank incorporations, to redeem on demand, in specie, *all post notes* which they may at any time have issued, on pain of forfeiture of their charters,” report:

That, in the discharge of the duty devolving on them, by the reference of the foregoing resolutions, the committee deem it proper to present, as far as they are able, a faithful view of the condition of the currency generally, and the probable effect of the measure proposed on the interests and prosperity of our own state.

While the committee concede the full extent of the moral obligation under which all banking institutions rest, to redeem their notes at all times, when required, in specie, they nevertheless believe, that there have been, and may again be, cases in which this high obligation may, with full and ample justification, be required to yield to the paramount interests of the state or country.

During the late war with England, the refusal of the banks to redeem their notes in specie, seemed to be the only means of preventing the comparatively small amount of coin then in the country from passing into the hands of our enemy; and the measure was sanctioned by every dictate of patriotism and devotion to the cause of the country. But the examples do not stop here. The governments of Europe, as well as every state in this confederacy, have found causes independent of those growing out of a state of war, that have led them to sanction such a measure; it would, therefore, be imputing acts of bad faith not only to ourselves, but to the governments of nearly the whole civilized world, to deny the propriety of such a measure, under circumstances that have existed, and may again occur.

Not doubting, from this view of the case, that a just regard to circumstances should govern our conduct in relation to this, as well as in all other matters involving the great interests of the state, and the happiness and prosperity of the people, your committee proceed to examine the circumstances under which they are called to act.

A new system of currency has, in opposition to the will of

the people, as expressed through their representatives, been obtruding itself upon the country since 1833, which in its progress seems likely to overturn and revolutionize the entire business of the country, and to interfere essentially with our domestic habits and social enjoyments. Accustomed, as we have been, from the first foundation of our government, to use bank paper as money, custom has led us to regard it as such. The wisdom of our legislatures and statesmen has been drawn upon to remedy the defects that experience has, from time to time, pointed out in the banking system, and throw around it such guards and checks as the interests of the people and the safety and prosperity of the people seemed to require.

Having under this practice arrived at what appeared to be a fixed and settled policy, the banks, as instruments of convenience, created by law for public use, rendering the service required of them, and the public in turn sustaining them in the exercise and enjoyment of the immunities intended to be granted, a reciprocity of benefits was the acknowledged result of the system.

Specie, it is true, was the constitutional currency, and the only legal tender in payment of debts, but was so seldom used, except for small change, that bank paper may with truth be said to have been the only currency in general use.

As bank paper was regarded and used as money, as above stated, and banks themselves viewed as the instruments of our own creation, and for the use and convenience of all; any thing like a general war upon them seemed unlikely to happen, from the fact that such a war must partake too closely of the character of a war upon our own prosperity, and which could only end, as events have shown to be true, in general injury to all. Banks had become as intimately connected with, and as essential to the business and prosperity of the country as the most important implements of husbandry were with the business of agriculture; and it would have been thought about as unwise to have commenced a war of extermination against banks, even at the time of the removal of the government deposits, as it would to have commenced a like war against the use of the plough, for the reason that of the number used, there could occasionally be found a bad or defective one. In the latter case, common sense has, and we trust *will* continue to govern. If a defective implement, or one of bad model, finds its way into use, we lay it aside and endeavor to profit by the lesson, by remedying the defect that experience has developed.

Had a like common sense policy been pursued in relation to banks, your committee entertain no doubt, that the American people would have been saved from the ordeal of artificial misery to which ignorance and folly have doomed them, and through which they are now passing. But, under the new

order of things, instead of regarding banks as articles of use, created for the public benefit, and only serviceable, or capable of answering the end for which they were created, while cherished and sustained by just and liberal treatment, the course now seems to be, to follow the example of the great champion of the better currency, first crippling and destroying the ability of banks, by destroying public confidence in them, and then denouncing them as useless institutions for not performing impossibilities, and filling the pockets of the people with gold and silver, never taking into consideration the fact, that *the people are indebted to the banks*, in an amount which, *if paid*, would enable the banks *at all times to redeem their liabilities*. The antiquated notion that a coat bought and paid for in good bank notes, was as well paid for, and would wear as well, as if paid for in half eagles, or that a note or debt cancelled by a good bank bill, was as well and as honorably paid as could have been done with coin, appears to have been exploded by the superior wisdom of modern financiers.

If we could really believe in the sincerity of modern logic, on the subject of currency, nothing but gold and silver could with propriety be used as money, even in the most ordinary business transactions, and to such an extent has folly assumed the province of reason on this subject, that your committee cannot refrain from urging upon the serious consideration of all thinking men the inquiry.

Can there exist a spectacle more humiliating to the patriot, or more ridiculous in the eye of sober reason and common sense, than that of a great ruling party, ardently engaged in the pursuit of an object, which, if possible to be attained, would paralyze industry and embarrass the whole business and enterprize of the country? And is not this the condition of the American people at the present moment?

For a better understanding of the matter, let us inquire what is money and what are its uses? Whatever any people or organized community determine by law shall be money, and give a fixed value to, is money. Its uses are to measure and determine the value of all other commodities, and to facilitate and regulate their interchange in all commercial transactions. It bears the same relation to commerce that the carpenter's rule does to the business of his profession. The one is used to measure and apportion values, and the other is to measure and apportion lengths and distances.

To unsettle and derange the carpenter's rule as the standard of measurement, would be to throw the mechanical world into confusion and disorder. It would leave us destitute of a language whereby we could communicate with each other understandingly, in relation to the measurement of lengths, distances or quantities.

So it is in relation to money, both are alike the arbitrary creation of the law and usage, and long established custom has interwoven their use with all our habits, all our business, and nearly all our comforts in life. We are daily encountering the pernicious and ruinous effects of a ruthless war upon the money or currency of the country, commenced in ignorance and blind devotion to party feelings in 1833, and persevered in with a spirit and energy that would do honor to a better cause, but which, if successful, can only serve to embarrass the business, and prostrate the industry and enterprise of our people.

What, we inquire, is the condition of the whole country in relation to this question of money or currency at the present time? Habituated and accustomed, for near two hundred years, to the use of paper for a large portion of our circulating medium, and until all our institutions, public and private, all our customs, habits and business associations had become identified with, and adapted to the system, we have been called upon by modern theorists, on this subject, to surrender for untried, and thus far, disastrous experiments, this system under which our independence as a nation was obtained, and which has rendered our country prosperous beyond any former example in the history of the world. And as a consequence to revolutionize and abandon all our former associations, habits and institutions, to suit the standard of another currency more immediately under the control of the executive of the nation, less convenient for every useful purpose, and limited in amount to less than one-fifth of that to which we have been accustomed.

And this requisition is made upon us, at a time when state and individual engagements are at a point of extension, corresponding with the broadest range of a circulating medium known to our country.

That this excess of paper money, and consequent extension of business engagements (that is now to be remedied by the opposite extreme of excluding all use of paper,) was induced by the course pursued by the president, is, in the opinion of your committee, placed beyond question, by the facts which they proceed to state.

The first movement of the federal executive in the matter of currency, indicated no hostility to any bank except that of the United States. That, to be sure, according to his views, was "a monopoly, a monster, dangerous to the liberties of the country, and ought not to be allowed to exist." The state banks, according to executive theory, and particularly those friendly to the measures of the administration, were useful institutions, and were not only safer and better depositories of the national treasure than the United States bank, but would furnish the country a "better currency." Accordingly they

were taken into the service of the government, and a war of extermination proclaimed against the bank of the United States.

The destruction of the United States bank, as such, becoming inevitable from the determined hostility of the party in power, the first movement of the state authorities to meet the new order of things, was to incorporate a multitude of additional state banks, about double the number in the short space of three years, with the apparent approbation of the president. In the mean time the circular of the secretary of the treasury to the deposit banks, encouraged the most liberal discounts on the basis of the government deposit. The consequence of which was that in the year 1836 the country became literally flooded with bank paper, and the most extravagant speculations were conceived and set on foot from one extreme of the Union to the other.

The president finding this new bank machinery, that his policy had put in motion, operating too rapidly to suit his views or comport with the beautiful theories under which the new order of things had been introduced, by way of checking its locomotive rapidity, sent forth, in August, 1836, the notorious specie circular, decreeing that gold and silver only should be received in payment for public lands, and by force of executive power alone, that disastrous measure was continued to the end of the presidential term, and until overruled by the disapprobation of abused and outraged public opinion. The president, however, in his valedictory message of March, 1837, assures us positively that his experiment had been eminently successful, that the country was then in the enjoyment of the "*better currency*" which he had promised and labored to secure; that exchanges were effected on most favorable terms, and the fiscal duties of the government performed in the most satisfactory manner by the deposit banks. But, notwithstanding this positive assurance from the high and undoubted authority of the president's own pen, we were doomed to witness in less than three months after it was given, the suspension of specie payments by every bank in the Union, with the exception of two or three, and soon after we were advised, by letters from the hermitage on the same authority, that banks were the most faithless institutions in the world, and on no occasion ought to be trusted.

Your committee regard this event as the explosion of what may properly be called the executive system of currency and finance, from the fact, that the representatives of the people in congress, had in no instance participated in the matter. It was also the signal for the commencement of an indirect warfare on paper currency, which was put in operation by the demand of specie, for the use of government. The destruction of

credit, and a paper currency, was too bold an innovation upon the interests of the country to be openly avowed in the commencement; a plausible justification or necessity for the measure, must first be created, and this could only be done by crippling the banks and rendering them useless to the public and themselves. The requirement of specie for the payment of government dues, and the dissolution of the connection that had existed between the government and the banks, from 1781 to the period in question, was among the most effectual means of accomplishing the object. These institutions that had been brought into existence in the sunshine of presidential favor, professedly for the benefit of the public, and in obedience to executive orders, had been the means of involving themselves and the country in embarrassment; after being crippled and disgraced, and in *many instances corrupted* by the connexion, were presumed to be in a condition that they might with safety be disowned and repudiated, and charged with all the evils that had been brought upon the country by this executive system of finance and currency. Whether this entire proceeding was the result of a fixed and settled purpose to destroy credit and a paper currency, or a chapter of blunders, that in its progress forced the executive to a succession of unheard of expedients, by way of remedy, for the failure of their respective predecessors, it is not the province of your committee to decide; nor is it material, as in either case, the effect on the currency and country must be such as we have witnessed, disastrous and ruinous in the highest degree; and in this series of experiments and expedients, the last of the family, seems well fitted to cap the climax, and consummate the destruction of a paper currency, and introduce the golden era, so oft and glowingly portrayed by its champion of Missouri, but unfortunately for the country, not yet reached or realized. The effect of those measures of the federal government, of which your committee has here taken a view, has been to unsettle and break up the foundations on which all business calculations have heretofore been based. A continued series of disasters to business men has been the consequence. Having as briefly as possible reviewed the measures that have driven us from our moorings as a business people, and left us afloat as we now find ourselves, it now only remains for your committee to apply the foregoing views and remarks to the inquiry suggested in the resolutions referred to them.

In common with our sister states, the citizens of Michigan find themselves abounding in all the products of the soil necessary to their existence and comfort. But with this abundance of the elements of prosperity and happiness in possession, they also find themselves deprived, or nearly so, of their accustomed and only means of applying it to its wonted and desired

purpose, the payment of debts and procurement of necessities. From the recent and rapid settlement of our young state, we have exported but little, and have until within the last two years, been dependant on our neighboring states, for even the necessities of life. It is estimated that the surplus produce of our state *now on hand* in the interior, is worth \$500,000 at present prices, and that the active circulation in money, is less than one dollar to each individual.

New York last year, sent us purchasers for our produce, provided with eastern funds; this year, her dealers cannot procure money to purchase their own surplus, and we have no ground to hope for purchasers from any other quarter.

Thus circumstanced, and deprived of the fostering care, which the general government is in duty bound to extend to the commerce and currency of the country, the states are compelled to resort to the most available means in their power to sustain their own credit, and mitigate, if possible, the embarrassments of the people.

Illinois seeks relief under the suspension of her banks for one year. Indiana proposes to issue treasury notes. The banks of Ohio, though professing to redeem their notes in specie, evade it by the issue of checks and notes of foreign banks obtained for the purpose. The banks of Pennsylvania are under suspension, and we have the message of governor Porter, yielding to the necessity of the case and recommending an indulgent course on the part of the legislature as the only means of saving the credit of the state, and suggesting as a mode of present relief, the issue of state bonds in payment of her exorbitant.

Thus surrounded, and with a circulating medium wholly inadequate to the wants of the community, and no means of furnishing a currency except through the banks in question, and those banks largely the creditors of the people of this state, and one of them the creditor of the state government to a large amount, and at the same time being in a condition of the most unquestionable solvency.

Shall the legislature of Michigan reject the only means of relief at present within their power; and unlike our sister states whose example we have quoted, assume the attitude of disinterested spectators, and look on with indifference, until the work of destruction is complete? And in pursuance of the suggestions in the resolutions under consideration, lend a hand to the work of oppression, and by the adoption of rigorous measures towards the bank, compel them in turn to distress their debtors? Or shall the legislature, in discharge of the trust confided to their care, adopt such measures as will enable the banks to continue the lenient course they have heretofore pursued, and also extend some further relief to the people?

To require the banks in question, to resume the immediate payment of their notes in specie, would, in the opinion of your committee, be equivalent to an order to wind up their concerns; and would seem to imply the same moral obligation on the part of the debtors of those institutions, to pay them in coin, that the banks are under to pay their debts in a like medium. Your committee can see no reason why the moral obligation is not strictly reciprocal; while they can readily perceive the utter impossibility of its being complied with by the debtors of the banks, under the present circumstances of the country. Besides, such a measure would strip the country of the greatest part of the money now in circulation, which, though not convertible into specie, is eagerly sought for, and gladly received in payment of debts, or in exchange for produce, merchandize, &c., at its par value; while the notes of foreign banks which have any circulation here, are more or less depreciated.

The notes of the banks in question, from the confidence reposed in the solvency and strict fidelity of those institutions, perform most of the offices of coin, and with equal benefit in the domestic concerns of the state; and they are more useful, for the reason that they are permitted to circulate, and perform the only office for which money was designed; while specie is sought after for the purpose of depriving it of its sole and only useful quality, by withdrawing it from circulation and hoarding it as a pearl of inestimable value, and not to be parted with.

Your committee have no conception of a project, by which they could so effectually injure the permanent interests of the state, and sacrifice the products of the labor and industry of the past year, as by recommending the adoption of the measures suggested in the resolutions in question.

Instead, therefore, of ministering or yielding to the morbid, vitiated and perverted taste that party madness, in forgetfulness of friends and country, and even itself, has engendered in relation to banks and currency, your committee fearlessly, and in utter disregard of the clamors of hireling partizans, who have been instrumental in producing the evils under which we are suffering, recommend the adoption of such measures as will secure to our suffering state the use of the best circulating medium within the power of the legislature to obtain; and to our citizens the most ample reward for the products of their labor and industry.

In the opinion of your committee, the legislature would prove recreant to itself and the vital interests of the state, intrusted to its care, should it allow the clamors of interested partizans, or any other cause to deter it from the performance of the high and paramount duty of securing a circulating medium, by means of which the produce of the country may be for-

warded to market, and its value thereby saved to the state, instead of lying useless, or perishing in the hands of its producers.

And in conclusion, your committee do most earnestly urge upon the legislature the necessity of deep and mature reflection upon the financial distress of the people of this state, and ask what shall be done. The government is largely indebted to contractors on our public works, and the contractors are at the extremity of pecuniary distress, for the money now due them.

The products of the soil are now mostly in the barns or granaries of the farmer, and no adequate amount of money in the state to take this produce to market; and consequently this whole class, with all other branches of business and industry, dependent upon their prosperity, is now terror stricken, and their energies in a manner paralyzed.

Thus circumstanced, your committee would ask, can any candid man wish to make our condition worse, by declaring that we shall have no money but gold and silver?—for that would be the result of adopting the recommendations embraced in the resolutions in question.

And here your committee do fearlessly assert, that no considerable portion of the future instalments of the "five million loan" can be sold for specie or the notes of specie paying banks, at its par value; and also, that the notes or bills of specie paying banks cannot be obtained in sufficient amount to take up the surplus produce of the state at fair prices, before the next harvest.

And your committee further assert that it is competent, and within the power of this legislature, to provide a currency perfectly safe, and worth within two or three per cent, of New York city money; sufficient to pay the contractors on the public works; and also to send to market our surplus produce. And now shall we do it, or shall we take the opposite course, and leave the country wholly destitute of the means of liquidating balances between our own citizens?

All of which is respectfully submitted.

J. M. EDMUNDS,
JUSTIN RICE.

[No. 51.]

Report of the Minority of the Select Committee on resolutions of inquiry, in regard to resumption of specie payments by banks, &c.

The undersigned, chairman of select committee to whom was referred by the senate, certain resolutions of inquiry in relation to the resumption of specie payments by the Farmers' and Mechanics' bank and bank of Michigan, make the following report:

The resolutions seem to comprehend the discharge of a high moral duty to the community, not only on the part of your committee, but also upon that of the legislature. Banking institutions are the creatures of legislative power. The avowed object is, that in the operation they will benefit all classes, by affording business facilities and promoting commercial exchanges. When thus confined to the legitimate sphere of their charter existence, the public do not, cannot complain, and the laws are their protection; but on the other hand, when they violate the laws and defeat the object for which they were designed, no principle of equal justice, no notion of temporary expediency, should lead the legislature to sanction their corporate infringement of individual right.

The bank of Michigan was created a corporation by an act of the legislative council of the territory of Michigan, adopted December 19, 1817; its charter was continued, February 25, 1831. The Farmers' and Mechanics' bank of Michigan was created by the same power, by an act approved November 5, 1829. The tenth section of the act to incorporate the stockholders of the bank of Michigan, among other matters, provides as follows: "And if such bills and notes issued as aforesaid, are not paid when the same are due and demanded at the banking house, and within banking hours, in the legal coin of the United States, the said corporation shall be dissolved;" and also by the 20th section of the "Act to establish the Farmers' and Mechanics' bank of Michigan," it is declared in nearly the same language as the aforementioned act, that the like penalty shall accrue, in case of failure to redeem its promises to pay, in the constitutional currency of the country.

These salutary provisions were wisely designed to protect the public. They constitute the vital principle of these moneyed corporations. When overlooked and forgotten by the legislation of the country, an implied violation of the constitution of the Union is tacitly permitted, and a perilous franchise is conferred upon a corporation, amounting in fact to coining the representation of the labor and property of the community. But again, such sanction is hostile to the "equal privileges," so

much the boast of this free republic. It places corporate bodies over and above the people; gives to a favorite combination of men, a dangerous power, and enables them to contract and expand at pleasure, a *false measure* of value, elevates or depresses the market, according to their hidden councils, and from motives never divulged to the public. That legislation which would venture so to trespass upon equal liberty, and create a corporation with such power, would meet with universal indignation and an immediate repeal by public opinion. All bank charters, therefore, contain similar provisions, from the necessity ever existing of guarding the public from imposition and preventing moneyed monopoly from undermining the basis of civil liberty.

By the provisions of those bank charters, the institutions are authorized to issue in circulation, their corporate promises to pay coin on demand. This franchise of itself becomes a rich boon, and enables the stockholders, under an honest management of the affairs of the banks, to reap a handsome profit. According to the admitted fact, many of these promises never return for redemption, being lost and destroyed in the casualties of time and trade; but to yield to these institutions the additional privilege of refusing with impunity to redeem their promises, is not only grossly unjust, but it is an example of immorality "from high places," that tends to unloose the cords of rectitude throughout the whole community. Why not legislate the bankrupt merchant into solvency? Why not legalize the manufacture of counterfeit coin? Why not close the courts of justice upon all creditors and stay its ministers in the execution of process? Are bank corporations to be more favored in governments than the sovereign people themselves? Is the artificial body, the workmanship of men's hands, to be entitled to greater privileges than the natural man, the creature of infinite wisdom? Righteous and just then, were the insertion of these restraints upon these institutions by the territorial authority, which with doubtful constitutional power ventured on the creation. The redemption of their promises is the life-breath of their legal existence; impair it and the body sickens, and when they cease to pay they cease to live. The banks in question, whether solvent or insolvent, on the 20th day of October, 1839, gave notice to the public through the public press in this city, that their respective boards of directors had "deemed it expedient to suspend temporarily the redemption of their notes in coin." This notice was published "by order," by the cashiers of these institutions, and the suspension (the modern appellation of a refusal to meet and fulfill corporate promises,) has now continued for a period beyond 90 days. It is not the province of the committee, to whom the consideration of these resolutions has been referred, to examine

into the condition of these banks, or to ascertain the probable causes that have led to the "suspension," yet it cannot escape observation, that by the annual report made to this legislature by the banks of Michigan, that the coin on hand, on the 1st day of this year, amounts to the sum of \$67,988 89, while the deposits in the banks, and the unredeemed promises to pay, exceed the sum of \$300,000.

As a matter then of justice to the public, who are bill holders, the chairman of the committee would beg leave to report a bill for the immediate resumption of specie payments by these institutions. If the banks be solvent, no injury can be done to them; if otherwise, the sooner the catastrophe is known the better for all classes, and especially those in the humbler walks of life, whose daily avocations shut them out from a knowledge of the broker's bulletin, and who, from their circumstances, depend upon honest labor for the maintenance of themselves and families, should not by careless and negligent legislation, be indirectly taxed 10 and 20 per cent, to pamper the luxury and pride of the cunning stock jobber; and the vigilant speculator, upon the necessities of the community.

The question involved in these resolutions, is beyond the conflict of parties. It is one in which every member of society is interested. The country calls loudly, from all divisions of our population, for the legislative action designated woful experience in other states, and even already in our own forbids hesitation; bank after bank within recent time has exploded, astonishing friend and foe with the magnitude of fraud, and plunging thousands of the laboring classes into want, who might have been saved from loss by the interposition of timely legislation. These views, of either the injustice or immorality of bank suspensions, are not novel or confined to the present period. During the suspension of specie payments of 1837, one of the most distinguished men of the age, of high repute as a statesman, and conspicuous in the annals of our country, in a celebrated letter to the president of the bank of the United States, characterized the suspension of payment, by it and other banks, "as dangerously immoral and pregnant with evil." And in a late publication, by a citizen of great worth in a sister state, and known to the country as the eloquent advocate, in congress, of the bank of the United States, and for a long time one of its directors, the same decided censure of this chartered fraud is pronounced. In speaking of a bank suspension, Mr. Horace Binney uses this strong and expressive language: "It is an interregnum of the constitution and the laws—not an occasional derangement of the currency, which war and violent fluctuation of trade consequent upon it may cause—but a regular settled, fixed atrophy of the law of payment."

Shall this atrophy of the law of payment receive further legislative countenance in Michigan? The undersigned indulges the hope, that the patriotism and sense of justice of the senate, unbiassed by corrupt expectation and uninfluenced by the suggestion of party, will prompt to such action as will speedily heal the wound inflicted on the credit of the country, by irredeemable currency; return to trade the fostering confidence of society, and to honest labor its just reward.

The second object of inquiry submitted to the committee, has been investigated, and the undersigned unhesitatingly denounces this act of the banks as a species of fraud upon the public. The parent banks in the city of Detroit pay from their counters, notes and promises simply stamped "payable at our branch." To the unwary and ignorant, this stamp seems as no guide, and consequently the producing and laboring classes of society are constantly the victims of bank avarice and cupidity of brokers. In the opinion of the undersigned, the banks here should be compelled to redeem the issues of their branches, and in every respect receive them as the immediate circulation of their own counters. The present opportunity should not be permitted to pass without this wholesome restraint upon these institutions. By the suspension of specie payments, they have incurred the forfeiture of their charters, and holding, as they now do, their existence at the will of the legislature, it is perfectly competent to adopt the legislation proposed.

In regard to the third inquiry before the committee, the undersigned feels called upon to say, that the entire policy of the banks, in issuing post notes, is at variance with the design of their charters, and should be met by the most decided reprobation of the representatives of the people. Gold and silver is the only currency known to the constitution and the laws. For purposes of public convenience, the legislature has delegated to these institutions the authority to issue their promises to pay, as a circulating medium. But what is the essential condition of this grant? It is that the promises should be paid on demand, and their *immediate convertibility into coin*, should ever be preserved. Is not then the issue of post notes by the banks, a violation of faith with the public and an outrage upon the legislative enactments of the land? Undoubtedly it is, and the act should be promptly met by this senate. But even if there existed no violence against the sanctity of the law, the policy of the measure is fatal to the prosperity of the state, and at war with the interest of the community. It excites distrust in the banks; is an implied declaration of insolvency; defaces our circulating medium, and degrades the character of the state abroad. With such views, the undersigned begs leave, at a future day, to report a bill, which, in his opinion, will much reduce the magnitude of the evils above set forth,

and once more bring back prosperity and success to the efforts of our young and once flourishing state. It will be remembered, that your committee were strictly forbidden by the senate from bringing in a bill on this subject, until further leave should be granted.

WM. L. GREENLY,
Chairman Select Committee.

[No. 52.]

Report of Committee on Finance, relative to Saginaw Canal.

The committee on finance to whom was referred the communication from the commissioners of internal improvement, having charge of the Saginaw canal, with documents, relating to a quantity of provisions, purchased by the board of internal improvement and sent to Saginaw, have had the same under consideration, and beg leave to report:

It appears from the said report and documents, that in the fall of the year 1837, a quantity of provisions, amounting to the sum of

Was purchased by James B. Hunt, then acting commissioner on the Saginaw canal, and sent to Saginaw; that the freight thereof was

And the storage thereof, at Saginaw,

That of these provisions, a quantity were furnished to engineers, as stated in number three,

And at another time as stated in paper A,

That of the remainder, the following were furnished to contractors, viz:

A. Williams,

J. Kenny,

Leaving a balance on hand, of

It also appears from the said documents, that the provisions were purchased in the fall of 1837, for the use of the contract-

ors on the Saginaw canal, and the contractors abandoned that work about the 29th of February, 1839, or soon after that time. Your committee are not aware of any authority vested by law in the commissioners of internal improvement, to purchase provisions for contractors; if such power could be exercised, it might, no doubt, lawfully be extended to buying cattle and tools and hiring laborers, and to any act necessary to carry on the works of internal improvement; but even if the power did exist, it does not appear that the provisions purchased was appropriated to that object, except to a limited extent. It would seem that the greater part were purchased from time to time by Messrs G. D. & E. S. Williams of Saginaw, and that other parts were sold by said firm to different persons.

| | |
|--|-------------------|
| These gentlemen acknowledge to owe to the state for such purchases, | \$1,313 00 |
| They alledge in their account a loss for articles spoiled, | 31 68 |
| They state that articles remain on hand worth | 47 44 |
| They present a list of debtors for provision sold, amounting to | 667 50 |
| And they acknowledge cash on hand including a certificate of the bank of Saginaw, amounting to | 231 39 |
| They charge commissions on so much of the said provisions, as were furnished to the contractors or sold other persons, | 136 18 |
| And storage on so much thereof as were so furnished and sold, | 125 85 |
| They also charge rent for engineers office, | 72 00 |
| | <hr/> |
| | \$2,715 04 |
| Making in all an excess over the just cost of the provisions with freight and storage, | <hr/> 84 53 <hr/> |

It is not shown in the papers referred to, that any authority was given by the commissioners to Messrs. Williams' to appropriate to their own use, or to sell any part of said provisions, and it appears reasonable that having assumed such authority, they ought to be held accountable for the payment of the same with interest, from the time of such appropriation and sale; and your committee recommend, that the commissioners of internal improvement be instructed to demand of Messrs. G. D. & E. S. Williams, the aforesaid sum of \$2,631 51, with the interest thereon, and upon refusal to pay, to cause suit to be instituted for the recovery thereof.

All of which is respectfully submitted.

D. G. JONES,
Chairman.

[No. 53.]

**Report of the Committee on Internal Improvement,
relative to the purchase of the River Raisin and
Lake Erie Railroad.**

The committee on internal improvement, to whom was referred the joint resolution of the house authorizing the purchase of the River Raisin and lake Erie railroad, have had the same under consideration, and report: that in the opinion of the committee, the resolution, in its present form, is greatly objectionable and ought not to pass. The committee had accordingly instructed their chairman to report sundry amendments, proposing the appointment of a board of appraisers, whose duty it should be to go upon the premises, make a just estimate of the *present* value of the property proposed to be purchased, and then, if deemed expedient, to make the purchase; that the estimated value should be the amount to be paid, and that the auditor general in drawing his warrant for the amount, should, in justice to the present creditors of the state, draw upon the April, 1841, instalment of the five million loan. The principle embraced in the resolution, as it passed the other branch of the legislature, proposing that the state should pay the original cost of the work, might, for ought that the committee know to the contrary, work great injustice to the state in the present instance, and still greater, as establishing a dangerous precedent to govern or influence future legislation. The committee had, therefore, prepared a substitute to carry out the views herein set forth, but having submitted the same to the proprietors of said railroad, were informed that such a proposition could not be accepted by them; that they considered that they had a legal claim upon the state for the full amount of the company's expenditures; and inasmuch as the consideration of questions of a legal character do not properly come within the purview of the committee on internal improvement, the committee beg leave to report the resolution back to the senate and recommend its reference to the committee on the judiciary.

All which is respectfully submitted.

T. E. GIDLEY,
Chairman.

[No. 54.]

Report of Board of Internal Improvement, in compliance with resolution of 21st February, giving the names and number of Engineers.

OFFICE OF INTERNAL IMPROVEMENT, }
Detroit, March 2, 1840. }

The board of internal improvement have the honor to report, in answer to a resolution adopted by the honorable the senate, on the 21st ult., the names and number of engineers, assistant engineers, &c., &c., in the employ of the state, on the several works of internal improvement, as follows, viz :

Central Railroad.

- 1 chief engineer, John M. Berrien, who also has charge of the Clinton and Kalamazoo canal, \$1,400 00 per annum.
- 1 draftsman, Frederick Hubbard, \$60 00 per month.
- 3 levelers, Robert H. Murray, Hans Thielson, Henry A. Hayden, \$60 00 per month.
- 3 rodmen, George N. Turner, Volney S. Aikin, George H. Ford, \$45 00 per month.
- 1 axman, Joseph Patterson, \$35 00 per month.
- 1 leveler, Frederick Willson, was discharged on or about the 22d of January last.

Northern Railroad.

- 1 chief engineer, Tracy McCracken, who has also charge of the Saginaw canal, Sault de Ste Marie canal, improvement of Grand, Maple and Kalamazoo rivers, and the canal to be constructed around the rapids of Grand river, with an annual salary of \$1,400 00.

No person has been discharged from any of the above works since the commencement of the present session of the legislature.

Southern Railroad.

- 1 chief engineer, Joseph S. Dutton, with an annual salary of \$1,400 00.
- 1 assistant engineer, H. V. B. Barker, with a salary of \$800 00 per annum.
- 1 leveler, and superintendent of superstructure, George Barney, who is paid, including board, \$2 50 per diem.
- 1 surveyor, who is a draftsman and leveler, Thomas Frazier,* who is paid, including board, \$2 50 per diem.
- 1 rodman, Royal W. Baker, who is paid \$1 25 per diem.

*This person has been engaged constantly in the office of the commissioner and engineer, since November last, in copying reports and vouchers for a triplicate of all the vouchers, from the commencement of the work up to the present time.

1 machinist and locomotive engineer, who is engaged in making patterns, laying switches, turning platform, &c., M. W. Newell, who is paid at the rate of \$800 00 per annum.

Two or three persons have been casually employed during the season, as rodmen and axmen, in all not to exceed three or four weeks, who have been paid from 75 cents to \$1 25 per diem.

No persons have been discharged from this work since about two months prior to the present session of the legislature.

Clinton and Kalamazoo Canal.

2 assistant engineers, Alvin Turner and Thomas J. Hunt, each with a salary of \$800 00 per annum.

1 draftsman and leveler, Ludwick Wesolowski, with a salary of \$1000 00 per annum.

2 rodmen, J. C. Merritt and Wm. R. Lount, who are paid \$45 00 per month.

No person has been discharged from this work since the commencement of the present session of the legislature.

All of which is respectfully submitted.

RIX ROBINSON, *President.*

[No. 55.]

Report of the Committee on Public Instruction, relative to certain school moneys.

The committee on public instruction, to whom was referred a preamble and resolution, on the 31st January, in relation to certain school moneys, ask leave to report:

That they have had the same under consideration, and submit the following facts for the consideration of the senate. That the school moneys referred to in the preamble and resolution, were deposited in the Michigan state bank, for the year 1838, as well for the counties mentioned in said resolution, as for all other counties within the state. That on the same day, notice was mailed by the superintendent of public instruction, accompanied with the auditor's warrant, for the respective amounts due each county, to the proper officer of each county in this state, notifying them, and each of them, that the sums so due was deposited and subject to their order.

That the counties of Hillsdale, Branch and Shiawassee, delayed calling for the money until the bank suspended, by reason whereof, they have been unable to obtain it. Whereas, if they had used ordinary diligence, the counties each above named, as well as all other counties in the state, could have

obtained the respective amounts due. These facts being obtained from the superintendent of public instruction, your committee recommend that the resolution do not pass.

All of which is respectfully submitted.

O. HAWKINS, *Chairman.*

[No. 56.]

Report of the Auditor General, in compliance with a resolution of the 6th March and of the 29th February.

AUDITOR GENERAL'S OFFICE,
Detroit, March 7, 1840.

Hon. JAMES WRIGHT GORDON,

President of the Senate:

SIR—I have the honor to transmit a list of the persons who have given security for a loan of money made by the state to the Detroit and Pontiac railroad company, and also the names of the appraisers who appraised the real estate pledged by said company to the state. Also the amount of bonds given, and the names of the persons executing the same, in obedience to the resolution of the senate, of the 6th instant.

And also a list of the persons who have given securities to the state for money loaned the Ypsilanti and Tecumseh railroad company, in compliance with a resolution of the 29th ultimo.

I am, sir, respectfully, your servant,

E. P. HASTINGS,
Auditor General.

Schedule of Securities given by the Detroit and Pontiac Railroad Company.

| Names of persons giving security. | Bonds. | Mortgages. | Total. |
|-----------------------------------|--------------|-------------|--------------|
| James A. Weeks, | \$104,800 00 | \$52,400 00 | \$157,200 00 |
| James A. Weeks, | 16,000 00 | 8,000 00 | 24,000 00 |
| Sherman Stevens, | 60,000 00 | 30,000 00 | 90,000 00 |
| Geo. W. Williams, | 57,000 00 | 28,500 00 | 85,500 00 |
| Elisha Beach, | 69,000 00 | 34,500 00 | 103,500 00 |
| Schuyler Hodges, | 93,400 00 | 46,700 00 | 104,100 00 |

Carried forward, ● ● ●

Schedule of Securities given by the Detroit and Pontiac Railroad Company—Continued.

| Names of persons giving security. | Bonds. | Mortgages. | Total. |
|-----------------------------------|---------------------|---------------------|-----------------------|
| Sherman Stevens, | \$84,880 00 | \$42,440 00 | \$127,320 00 |
| A. Williams, | | | |
| Sherman Stevens, | | | |
| S. Hodges, | | | |
| G. W. Williams, | | | |
| Solomon Close, | 200,000 00 | | 200,000 00 |
| J. A. Weeks, | | | |
| G. D. Williams, | | | |
| James B. Hunt, | | | |
| E. Van Deyenter, | | | |
| Detroit and Pontiac railroad, | | 100,000 00 | 100,000 00 |
| | <u>\$685,080 00</u> | <u>\$342,540 00</u> | <u>\$1,027,620 00</u> |

Names of persons appraising property mortgaged to secure the State for money loaned to the Detroit and Pontiac Railroad Company.

G. D. Williams; B. Buckingham, sheriff, Genesee county; Orrin Safford, deputy treasurer, and R. F. Stage, clerk, Genesee county.

Names of persons who have given securities to the State of Michigan, for moneys loaned to the Ypsilanti and Tecumseh Railroad Company, and amount secured by each individual.

| | |
|----------------------------------|-------------|
| S. Blanchard, | \$76,000 00 |
| S. F. Blanchard and D. G. Finch, | 2,000 00 |
| S. L. Spofford, | 1,000 00 |
| C. Rudd, | 200 00 |
| A. Larzelere, | 8,100 00 |
| Lemuel Clark, | 3,500 00 |
| John Lawrence, | 1,000 00 |
| George Patridge, | 2,500 00 |
| Julius Crittenden, | 5,000 00 |
| Thos. Tait, | 4,000 00 |
| Moses Lane, | 1,000 00 |
| Thos. Wood, | 20,000 00 |
| John Lowry, | 20,000 00 |

Carried forward,

| Brought forward, | | |
|---|--|------------|
| L. S. & A. W. Post, | | 2,000 00 |
| George Post, | | 4,000 00 |
| M. Laskiu, | | 2,000 00 |
| P. R. Parsons, | | 3,500 00 |
| S. Lapham, | | 500 00 |
| M. Mason, | | 1,000 00 |
| D. D. Wallace, | | 1,000 00 |
| Jacob Sherman, | | 1,000 00 |
| Orrin Parsons, | | 15,000 00 |
| Barnabas Holmes, | | 3,500 00 |
| Mark Norris, | | 2,500 00 |
| D. G. Jones, | | 4,000 00 |
| E. P. Hastings, | | 4,000 00 |
| A. S. Porter, | | 4,000 00 |
| Shubael Conant, | | 2,000 00 |
| H. M. Campbell, | | 2,000 00 |
| Wm. Brewster, | | 4,000 00 |
| F. H. Stevens, | | 6,000 00 |
| E. A. Brush, | | 4,000 00 |
| John Mullett, | | 6,000 00 |
| Zina Pitcher, | | 5,000 00 |
| A bond signed by S. Blanchard, D. G. Finch, S. F. Blanchard, Charles Rudd, S. L. Spofford, Orange Riden, D. D. Wallace, Orrin Parsons, Jeremiah Post, George Post, John Lawrence, Smith Lapham, Jacob Sherman, Miel Mason and H. M. Campbell, for | | 200,000 00 |

\$418,300 00

AUDITOR GENERAL'S OFFICE,
Detroit, March 7, 1840.

E. P. HASTINGS,
Auditor General.

[No. 57.]

Report of the Attorney General, in compliance with a resolution of the Senate, in relation to the Manhattan Bank.

ATTORNEY GENERAL'S OFFICE,
Detroit, March 3d, 1840.

Hon. J. W. GORDON, *President Senate, Michigan:*

SIR—In obedience to the requirements of a resolution of the senate, calling upon me for certain information in regard to the Manhattan bank, I have the honor to state,

That the bonus of ten thousand dollars, to be paid to the state of Michigan, was made a condition of the corporate existence of said bank, and I have no doubt that the payment of that sum may be legally enforced against the bank.

Under the instructions of the late treasurer, Henry Howard, I wrote to the officers of the bank and demanded payment, but no answer was received.

I also requested an attorney in that state, to institute a suit for the recovery of the demand, but, on reflection, I came to the conclusion, that as the prosecution of the suit would involve the expenditure of a considerable sum of money, in the employment of counsel to conduct the cause in a foreign state, and as no provision was made by which such expenditure was authorized or required to be paid when incurred, that it would be best to proceed no further until instructions should be given by the legislature.

I would further add, that by the report of the bank commissioners of Ohio, the Manhattan bank appeared to be in a sound and solvent condition.

With high consideration,

I have the honor to subscribe myself,

Your obedient servant,

P. MOREY,

Attorney General.

[No. 58.]

Report of the Majority of the Committee on Finance, to which committee was referred the Message of the Executive, in relation to a proposition of the Morris Canal and Banking Company, for modifying the terms of the five million loan.

The committee on finance, to whom was referred the special message of the governor, transmitting an informal proposition of the Morris canal and banking company, for modifying the terms of the contract formerly entered into with that company by governor Mason, as agent for the state, beg leave to report,

That having called for and carefully examined the voluminous correspondence carried on with the Morris canal and banking company, by Kintzing Pritchette, Esq., acting under special instructions from his excellency Stevens T. Mason, date November 18, 1839, they have ascertained the following facts:

That on the 16th of November last, Mr. Pritchette was furnished by governor Mason, with a general power of attorney, *as his agent*, "to proceed to New York and contract with the Morris canal and banking company, the bank of the United States, or any other party, for the abrogation of the contract for the sale of the \$5,000,000 loan, on such terms as in *his* (Mr. Pritchette's) *opinion*, should be just and correct, and most conducive to the end in view."

That under same date, Mr. Pritchette was furnished with a written letter of instructions from Gov. Mason, stating that it was *his* intention to obtain a return of the stock on all instalments unpaid, and in which a detail of the plan of effecting the desired result, was also contained. That, by virtue of the power of attorney, and the letter of instructions, Mr. Pritchette proceeded to New York and commenced a negotiation with the Morris canal and banking company and the bank of the United States, *in the city of New York*, (an institution resembling in name only, but having *no connection* with the bank of the United States in Pennsylvania, as has been stated by the president of the latter bank in the supreme court of his own state,) for the abrogation of the contract referred to, or rather for the purchase of all the bonds of this state, for which payment has *not* been received; which correspondence, commencing with these two institutions, about the 20th December, and terminating with a definite proposition from the Morris canal and banking company to the state, under date of February 1, 1840, is appended to and made part of this report.

Your committee, in the performance of the duty assigned them, have examined, with as much care and attention as the limited time since the receipt of the correspondence would permit, the law under which the original contract for obtaining the loan by the governor was made, the contract itself, and the nature of the several propositions made by direction of the governor, through Mr. Pritchette, to the Morris canal and banking company, for the canceling of that contract, and they would briefly call the attention of the senate to them in their order of time.

By the act of March 21, 1837, and the amendment made thereto, approved Nov. 15, 1837, the governor of this state was authorized and empowered, under certain restrictions, to borrow, on the bonds of the state, this sum of five millions of dollars, for the purpose of internal improvements, for the payment of which sum, the faith of the state was pledged, and the moneys, when obtained, were, by the provisions of the act, "to be transmitted to the treasurer of the state, to meet and be applied to the objects of appropriation, as expressed in this act, as the same shall be wanted."

Acting under the powers vested in him by virtue of the act, and amendment thereto, governor Mason, after a tedious negotiation, succeeded in completing to the Morris canal and banking company, a sale of the entire amount of the loan, on terms said to be as favorable as at that time, and in the then distressed condition of the stock market, could have been expected.

In his message of 1839, the contract, with all the details of its commencement and completion, was laid by the governor before the legislature for their approval and assent; and although its terms were by many considered severe, and in some respects contrary to the provisions of the act conferring upon him the authority to make it, it was finally tacitly ratified and accepted by the representatives of the people, and the moneys accruing on the several instalments, (payable by the bank with whom the contract was made,) up to the first of January, 1840, were appropriated to the several works of improvement progressing throughout the state.

In consequence of these appropriations, and the reasonable certainty that the interest of the state would require their continuance, and that the future instalments would be promptly met, the commissioners of internal improvement entered into large contracts for the several works, requiring the expenditure for the year 1839, of nearly the sum of eight hundred thousand dollars.

By the provisions of the act under which the loan was made, a sinking fund was created from the proceeds of the improvements themselves, and other means for the payment of the principal and interest on the bonds of the state as they should become due. But as this fund could only be raised after the works became productive, it was evidently a matter of great consequence that *certain* means should be provided for the payment of the interest on the bonds in the *mean time*, and these could only be raised from direct taxation, or a resort from time to time to the principal, as it should be required for this purpose. Having then completed the sale of the bonds under the act, and reported *that* contract back to the legislature, it would seem as if governor Mason had completed the trust reposed in him, and that his duties as *agent* of the state in making the loan, had ceased; and that any modifications of its terms, or alteration in its character, could only be made by some person acting under the direct authority of the legislature itself.

The law was passed for a special purpose. It delegated to governor Mason certain powers to perform, on behalf of the state, a *special act*, which, when completed, his authority to act as agent, terminated, and the law itself having performed the sole object for which it was created, ceased to exist. It

had expended its force, and, as a natural consequence, expired.

And yet, although no earthly provision existed for paying to the public contractors the amount due to them beyond the appropriations for this year, and although the revenue of the state was manifestly insufficient to meet its current expenses, and the instalments of interest on the money previously expended, were in no way provided for, yet governor Mason undertook, on the 16th of November, 1839, to delegate to Mr. Pritchette, authority to cancel the whole contract and release the bank from paying any thing after the instalment due first January, 1840.

Your committee do not design to impute bad motives, or selfish designs to the governor, but they have looked in vain to the laws to ascertain *his authority* to cancel a contract made by him not as *principal* but *agent*; a contract ratified by the legislature, and in the fulfillment of which alone the credit and honor of the state could be maintained. Will it be said that the law of 1837 conferred the power, and even extended it so far as to authorize the agent to appoint a *sub-agent*?

Its provisions are simple and plain—to make a specific contract for a special purpose, when the contract was signed, the duty was performed, and the agency ended, the very authority itself, having been fully complied with and carried into effect, ceased to exist.

But there is another feature of this transaction, of a still more singular character, upon which the committee cannot forbear a passing comment. By reference to the correspondence it will be seen that the negotiation was continued long after governor Mason ceased to exist in his official capacity, and that Mr. Pritchette had an intimation, that an objection would be raised by one bank to the completion of a contract which might not be acknowledged by the competent authorities of the state. This objection Mr. P. promptly met, by a proposition on his part, as an inducement to continue, and if possible to complete the negotiation by making their subsequent stipulations appear "*as of this date*," (Jan. 6th.) Thus proposing to append to the agreement or contract a *false date*! in order that no question could be raised as to the validity of his authority to act in the premises.

Had governor Mason power at any time to perform an act of so grave a character, as to release a debt of some three millions due to the people of this state, "on such terms as in *his opinion* should be just and correct, and conducive to the end in view?" Can it be doubted that *that* power must and did terminate with all his other delegated powers at the close of his official life? And had the act been consummated at the time and in the manner proposed, it must have been entirely *illegal*,

✓ a *daring fraud* upon the interests of this state, highly discreditable to all parties concerned.

Your committee, while they do not intend to question the motives of governor Mason, or to doubt that he supposed his intended course would subserve the best interests of those whom he represented, yet as an act of justice, both to the people of this state and themselves, as a solemn warning not to be unheeded by his successors, they cannot hesitate to say, that in attempting any negotiation for the rescinding of the contract with the Morris canal and banking company, he acted without the authority of law. That the agent (to whom he delegated a trust which had long previously ceased to exist) in prosecuting a negotiation after governor Mason had terminated his official career, and in offering to bind this state by a contract, false upon its very face, was culpable in the highest degree.

Nor can your committee forbear to point out, very briefly, the fearful consequences that must have accrued to the people of this state, to its future credit and interests, had this ill advised plan been carried into operation.

On the first of January, 1840, the state was indebted to the contractors upon the public works, and holders of state warrants, the sum of about three hundred thousand dollars, as nearly as can be ascertained. In addition to this, no means then existed for paying the instalments of interest upon the money already expended, and even the ordinary expenses of the government could not be provided for. What then would have been our condition had the only channel for a supply of funds been cut off in the manner proposed? What answer should we have given to the suffering contractors upon our public works, who have embarrassed, and in some instances ruined themselves, by going on with their work beyond the specific appropriations, and who are now knocking daily at our doors for relief? Would they have been satisfied, had we told them we had canceled our contract for money, without thinking that we were their debtors? and that their ruin must be the inevitable consequence of our refusal to pay.

When the holders of the state bonds demanded their interest upon that portion expended up to January 1, 1840, where would have been the means to meet that demand? Would they have been satisfied to look at our "*canceled contract*?" Would they not point us to our bonds, and ask, "is this the *faith of your state*, solemnly pledged by your statute for the payment of your bonds? Verily! this is "*faith without works*." But our disgrace would not stop with the ruin of our contractors, the protest of our bonds, and the total loss of all credit and character both at home and abroad. The wheels of government must have stopped ere this, had the act been consummated. Where were the means to pay our legislature, go-

vernor and judges, or the every day expenses of government? Does the correspondence, herewith transmitted, furnish an answer? We do not find it.

Did the governor think of these things when he signed the power of attorney for Mr. Pritchette? Had he matured any plan to meet all these expenses, and to save your faith and credit? If so, where can it be found? Would he advocate a direct tax upon the people of this state, sufficient to pay the several sums due to contractors and other public creditors, when even the ordinary expenses of government are grinding them to the very dust? Or would he recommend that our infant state should be the first to avail itself of the benevolent provisions of fraudulent bankruptcy?

This is no idle dream of the fancy—no high wrought effort to manufacture political capital—but a *solemn reality*, demonstrated by *figures*, those unerring guides to truth! Had the act been completed, the stigma of violated faith, must ere this, have been indelibly fixed upon our escutcheon, and the credit of the state irretrievably gone!

In the performance of the duty assigned to them, your committee feel anxious, if it were possible, consistent with their duty, to avoid censuring the conduct of any one; but so strange and unprecedented are all the circumstances connected with this negotiation, that silence would have been highly criminal; and in our opinion, the interests of our constituents demanded a frank expression of our views upon the subject. If the former governor of this state, in his official capacity, possessed the power under the law of 1837, to cancel a sacred contract, made by the state with a third party, and with one dash of his executive pen, take from the legislature all power to proceed a step with the internal improvements, or even the ordinary operations of government, then the present executive must possess the same power, for the law is *not repealed*, and at any moment that his caprice or opinions may dictate, we may be stripped of every possible means of paying the honest debts of the state.

If this power was delegated to governor Mason, as an individual, and he was authorized on the 16th of November to make arrangements to cancel that contract, then he possesses that power at this moment, and his single word may complete what *his agent* failed in accomplishing. If the law of 1837, conferred so extraordinary a power upon the executive, as not only to do what the act contemplated, (borrow five millions of dollars,) but at any moment that “in his opinion it was best,” to dictate to the people and the legislature, how much of the same it would be “most conducive to their interest” to receive and use, then is that law a dangerous one, and should at once be repealed.

If a special agent, acting under specific legal instructions, can go beyond those instructions and nullify what he has done in pursuance of law, then he may go beyond them in other respects, and at any time borrow instead of five millions, five hundred millions. If Mr. Pritchette possessed the power (*after* the official functions of governor Mason had ceased,) to bind the state by a contract with a false date, then does he possess the same identical power, this instant, and while we, the representatives of the people, are deliberating as to what disposition we shall make of the future instalments of the loan, he may walk into this hall, and pointing to his general power of attorney, say: "I will relieve you of further deliberations upon the subject; I will cancel the *whole* contract, on such terms as this document authorizes me to do, and to preclude all doubt as to my authority to do it, I will prefix to it the date of January 1, 1840."

If such unheard of power was ever vested in any officer of this state, if it now exists, *ex-officio*, in the present executive, or in his predecessor, or his agent and attorney in their private character, then we say, instant legislation is demanded; let it at once be taken away by special, positive enactment, and let not so dangerous a power be placed in the hands of any one but the legislature itself—the natural guardian of the public purse.

1. While, therefore, your committee cannot sanction, in any manner, the negotiation carried on under *these* circumstances, while they utterly deny that any authority existed in the laws of this state, for its commencement or continuation; and while they shrink appalled by the thought of the consequences that must have followed its completion, yet they deem it the duty of the state that immediate steps should be taken to protect her interests, and sustain the obligations due from others to her, and to provide against any contingency that may occur.

2. It seems from the definite proposition now submitted to Mr. Pritchette, (and which has at last found its way into the hands of those who are duly qualified to accept or reject its terms) that unless the terms offered are accepted, the Morris canal and banking company will be compelled to ask an extension of the time of payment on the several instalments due from that institution, which are not guaranteed by the United States bank.

As it is utterly impossible for the committee to judge, at the present time, and at this distance, as to the best course to pursue upon the subject, so as effectually to guard the interests of the state, they would respectfully recommend that full power be vested by law in some competent person to proceed to New York and take such steps, under the direction and advice of

the governor and auditor general, as the exigencies of the case may seem to require, and as shall save the people of this state from further loss or delay in the receipt of the moneys due from said bank.

All of which is respectfully submitted.

D. G. JONES, *Chairman*,
JUSTIN RICE.

Letter of instruction to K. Pritchette.

(Copy.)

EXECUTIVE DEPARTMENT, }
Detroit, Nov. 16, 1839. }

SIR—Enclosed, you will receive an authority, as my agent, to contract with the Morris canal and banking company, and the bank of the United States, for the abrogation of the contract with the former institution, and on which the latter is the guarantee to the state of Michigan, under a sale of five millions of state bonds. My object is, to obtain a return of the stock on all instalments unpaid. The memorandas accompanying this communication, will explain the details of the proposed arrangement. Let me here add, that the present condition of the two institutions is such, and the risk to the state of Michigan so great, you will accept any reasonable and equitable terms, to secure the remaining stock, and to protect the state from loss. If the whole of the stock should prove not to be under the control of these institutions, you will contract for such portions as they may be enabled to return. Or in case they have made sales, you can assume their contracts, where the securities are satisfactory.

Let me urge upon you the importance of having the result of your negotiations at as early a day as possible, so as to be submitted to the legislature for their consideration.

S. T. MASON,
Governor, &c.

K. PRITCHETTE, *Esq.*

Authority of K. Pritchette, to act as agent.

(Copy.)

EXECUTIVE DEPARTMENT, }
Detroit, Nov. 16, 1839. }

Know all men by these presents, that I, Stevens T. Mason, governor of the state of Michigan, by virtue of an act of the legislature of said state, approved March 21, 1837, having con-

tracted a loan with the Morris canal and banking company, for the sum of five millions of dollars; *and, whereas*, it has become important to the said state to cancel the contract for so much, and such parts of the said loan as yet remains unpaid by the contracting party or parties: This is to make known that I do, hereby, constitute and appoint Kintzing Pritchette, Esq., agent, in my name and in behalf of said state, as agent, to contract with the Morris canal and banking company, the bank of the United States, or any other party, for the abrogation of the aforesaid contract, on such terms as shall, in his opinion, be just and correct, and most conducive to the end in view—I hereby, ratifying and confirming all his acts, as agent, as aforesaid.

STEVENS T. MASON,
Governor of Michigan.

Memorandum of proposition to the Bank of the United States.
(Copy.)

The bank holds four millions of bonds, under a guarantee and purchase with the Morris canal and banking company. These bonds are now unavailable to the bank, in consequence of the depreciation of American securities in Europe, and it has been suggested by Mr. Edward Biddle, that it may have become an object to the bank, as well as the state of Michigan, to cancel the existing contract and obligations of the respective parties.

It is proposed, then, if desirable to the bank, to cancel the contract for all payments after the first of January, 1840; to reconvey the obligations of the parties, so as to place each in their original position, with respect to the remaining unpaid instalments—the state receiving its stock at the rate sold, (97½) and the bank its bonds, as filed, to meet that rate.

The above memoranda is necessarily general in its terms, but may be modified in its details to suit the parties.

Proposition of George Griswold, on the part of the bank of the United States, for the surrender of two and a half millions of State stock.

(Copy.)

BANK OF THE UNITED STATES, }
New York, Dec. 19, 1839. }

K. PRITCHETTE, Esq.:

SIR—Understanding that you are agent for the state of Michigan, in relation to their six per cent loan, I beg leave to in-

quire whether it will suit your views, to agree with the bank of the United States, to receive back from that institution, two and a half millions of the six per cent stock or bonds, of the state of Michigan, crediting the said bank with the par value of said stock, on the guarantee of the said bank of the United States of contract of the Morris canal, and relinquish all claim the state of Michigan has on the bank, to the extent of the stock or bonds surrendered. The stock cost the bank par.

With great respect,

Your obedient servant,

GEORGE GRISWOLD.

P. S. I can make a satisfactory arrangement about the interest on stock surrendered.

Letter to George Griswold, in reply to his proposition of the 19th instant.

(Copy.)

New York, December 20, 1839.

To GEORGE GRISWOLD, Esq.,

Bank United States in New York:

SIR—I have the honor to acknowledge the receipt of your communication of the 19th instant, and in reply to the inquiry whether it will suit my views to agree with the U. S. bank, for the surrender of two and a half millions of the six per cent stock of the state of Michigan, in the manner therein indicated, I have to state that I am authorized and empowered to propose on behalf of the state, to cancel the existing contract for all payments after the first of January, 1840; to reconvey the obligations of the parties, so as to place each in their original position, with respect to the remaining unpaid instalments, the state receiving its stock at the rate sold, 97½, and the bank its bonds as filed, to meet that rate.

These are the general features of the proposed arrangement, but subject to such modifications in the details, as may suit the parties.

With great respect,

Your obedient servant,

K. PRITCHETTE.

Letter from George Griswold, covering proposition on behalf of the United States Bank for the surrender of two and a half millions State stock.

(Copy.)

BANK OF THE UNITED STATES, }
New York, Dec. 20, 1839. }

K. PRITONETTE, Esq.:

SIR—Your valued favor of this date is received, in reply to my communications of the 19th inst., offering to cancel guarantee of bank of the United States, by receiving the 6 per cent stock of the state of Michigan, at 97½ per cent.

I beg leave to say, stock cost, the present holders, par; that I cannot enter into a contract to deliver said stock and cancel the guarantee at less price than par.

With great respect,

Your obedient servant,

GEORGE GRISWOLD.

Proposition by George Griswold, on behalf the United States Bank, for the surrender of two and a half millions of State stock.

(Copy.)

| | | |
|---|--------------|-----------------------|
| Contract for | | \$2,500,000 00 |
| For this amount state will take Mr. Ketchum's securities, which I understand are approved, | \$225,000 00 | |
| This amount of stock will be at rate it cost the present holders, | 275,000 00 | |
| | <hr/> | 500,000 00 |
| Balance will be delivered at price it originally cost the present holders, which I know to be paid, | 2,000,000 00 | |
| | <hr/> | <u>\$2,500,000 00</u> |

At least \$200,000 00 of the stock will be delivered on or before the first day of April next, and at least \$200,000 00 will be delivered every succeeding three months. Whole to be delivered in twenty-four months from first of April, 1840. Parties contracting to have the option of delivering the whole or any part of the "two and a half millions," at any time prior to the period above named.

As the stock and Mr. Ketchum's securities above mentioned, are delivered, the guarantee of the bank of the United States

of the contract of the Morris canal and banking company with the state of Michigan, to be canceled to the amount so delivered, at each and every time of delivery, and the bank of the United States to be fully and legally discharged from the responsibility of such guarantee, to extent of such delivery.

If this agreement is consummated, I agree to procure the assent of the Morris canal to the arrangement, with the state of Michigan's paying interest now due, or hereafter to become due, on the stock surrendered under this agreement, through some other institution, and not through the Morris canal.

GEORGE GRISWOLD.

New York, December 20, 1839.

To George Griswold, in reply to his letter and proposition of the 20th instant.

(Copy.)

New York, December 21, 1839.

To GEORGE GRISWOLD, Esq.:

SIR—In reply to your favor of the 20th instant, and the enclosed proposition, I beg leave to say, that I do not consider that the interest of the state would be advanced by the surrender of the obligation of the bank of the United States, on receiving her bonds at a greater rate than that at which they were sold. And that under present impressions, I should, as agent of the state, deem it necessary to insist upon that rate, (97½) as the basis of any negotiation.

It appears to me further, that the time designated for the surrender of these bonds, is too extended, and that the limit of six months would be amply sufficient for the reception of the bonds from abroad, if the arrangement contemplated is desirable.

I am not able to perceive, from your communication, whether the proposition for the return of \$275,000, at 97½ is, that it be made at once, or whether the first day of April next is the earliest period for the surrender of any portion.

With great respect,

Your obedient servant,

K. PRITCHETTE.

From George Griswold, Esq., covering a further proposition for the surrender of two and a half millions Michigan State loan.

(Copy.)

New York December 25, 1839.

K. PRITCHETTE, Esq.:

SIR—I beg leave to submit, for your consideration, the within proposition, to surrender to the state of Michigan, two and one half millions of the 6 per cent stock.

As only a few days remain of the year 1839, I beg leave to request a reply at your earliest convenience.

With great respect,

Your obedient servant,

GEORGE GRISWOLD.

(Copy.)

| | | |
|--|--------------|----------------|
| State of Michigan to cancel the guarantee of bank of U. S. for payments due from Morris canal to the state of Michigan, at various periods, commencing 1st April, 1840, ending 1st January, 1848, on following terms, viz: | | \$2,500,000 00 |
| Mr. Ketchum's bond and mortgage for this amount, to be made satisfactory to the state, | \$225,000 00 | |
| Amount of stock of the state that cost present owners 97½ per cent, | 275,000 00 | |
| | <hr/> | 500,000 00 |
| This amount of 6 per cent stock of the state of Michigan, to be surrendered to the state at par, the price it cost the present holders, | 2,000,000 00 | |
| | <hr/> | 2,500,000 00 |
| Bonds and stock to be delivered as follows, viz: | | |
| Mr. Ketchum's bond and mortgage for this amount, | 225,000 00 | |
| 6 per cent stock on bonds of state of Michigan, | 100,000 00 | |
| | <hr/> | |
| To be surrendered on signing contract, | 325,000 00 | |
| | <hr/> | |
| Carried forward, | • | • |

| | | | |
|---------------------|------------------|--------------|-----------------------|
| | Brought forward, | • | • |
| On 1st April, 1840, | \$400,000 00 | | |
| On 1st July, do | 400,000 00 | | |
| On 1st August, do | 400,000 00 | | |
| On 1st October, do | 400,000 00 | | |
| On 1st January, do | 575,000 00 | | |
| | <hr/> | 2,175,000 00 | |
| | | <hr/> | <u>\$2,500,000 00</u> |

As the bonds are delivered, the guarantee to be canceled, and the responsibilities of the bank or the guarantee to be relinquished by the state for an amount equal to such delivery.

By the foregoing it is proposed to deliver all the bonds and stocks, and complete the whole agreement within the year 1840.

If agreed to, I will undertake to deliver the stock at the periods stated.

I have reason to believe that all the stock will be received here within six months, and my intention is to deliver it as fast as received. Will also agree to procure the assent of the Morris canal to this agreement, and relieve the state from their obligation to place funds with the company for purposes of paying interest on the \$2,275,000 00 of stock agreed to be surrendered.

GEORGE GRISWOLD.

December 25, 1839.

To George Griswold, Bank United States in New York, informing him of the refusal of the terms proposed.

(Copy.)

New York, December 27, 1839.

*To GEORGE GRISWOLD, Esq.,
Bank United States in New York:*

SIR—In reply to your favor of the 25th inst., I have to say that I have stated to you the terms upon which I considered myself authorized to negotiate for the surrender of the bond and the canceling of the contract of the state of Michigan, viz: placing the original parties to the loan in their primary position. As none of your propositions meet this view, I deem it proper to decline entertaining any further negotiation not based thereon.

With great respect,

Your most obedient servant,

K. PRITCHETTE.

From George Griswold, Bank United States in New York, proposing to surrender two and a half millions at 97½ per cent, taking Mr. Ketchum's bonds and mortgages.

(Copy.)

BANK OF THE UNITED STATES, }
New York Dec. 28, 1839. }

K. PRITCHETTE, Esq.:

SIR—Your favor of the 27th inst. is received. I note your objections to the terms proposed by me.

Referring to my letter to you, of the 25th inst. and the proposition enclosed, offering to deliver Mr. Ketchum's bonds and mortgages for \$225,000 together with \$275,000 of Michigan state six per cent stock at 97½, and "two millions of dollars" of said stock at par, on condition that the state will cancel and relinquish all claims on bank of United States for a like amount, say two and one-half millions of the guarantee of said bank of contract of the Morris canal and banking company. I now offer so far to modify said proposition as to surrender a sufficient amount of the above mentioned stock to make up the amount of \$2,275,000 at 97½ per cent.

Should these terms meet with your approbation, this bank will enter into a contract to deliver said stock, at several periods mentioned, and will be answerable for such delivery.

With great respect,

Your obedient servant,
GEORGE GRISWOLD.

To George Griswold, Esq., Bank of United States in New York, setting forth the agent's understanding of his powers and instructions for the negotiation for the abrogation of the Michigan State loan.

(Copy.)

New York, January 2, 1840.

To GEORGE GRISWOLD, Esq.,
Bank United States in New York.

SIR—I have the honor to acknowledge the receipt of your esteemed favor of the 28th ultimo, with the proposition therein made. In my last communication, I stated to you the terms on which I was authorized and empowered to negotiate for the surrender of the unpaid portion of the Michigan state bonds, and the abrogation of the contract regarding the same to that extent.

Lest I should have expressed myself too indistinctly upon this point, I beg leave to review the course of my attempted

negotiation to effect this object. I made application to the institution which you represent, viz: the United States bank, in Pennsylvania, on the 29th of November, who were supposed to have the whole under their control or influence. To this application, I received an evasive and entirely unsatisfactory reply, which put an end to all expectation of a negotiation at that time. I made the same application to the Morris canal and banking company, based upon a suggestion originally made by them, and received a similar reply.

Upon the arrival of the steam ship Liverpool, I made an inquiry of both those institutions whether the news by that vessel had placed the subject on such footing as would justify a renewal of an application to open a negotiation. The bank of the United States did me the honor to make a reply, which reiterated in substance their previous declarations. The Morris canal and banking company have thought proper to neglect any notice of my inquiry. At this stage of the business, a highly respectable and influential citizen of Michigan, Mr. Ketchum, presented himself, and expressed his confidence that a negotiation could still be effected, notwithstanding the unfavorable prospect it exhibited.

Through his agency, I have had the honor of several communications from you, which with my replies, have resulted in the definite proposition contained in your favor of the 28th ultimo, to which the present communication is intended as a full, frank and entire explanation of the position I consider myself as occupying. This proposition I always intended to define in as concise terms as possible, in my several communications. If I have failed to make myself understood, I think from a review of that correspondence, you will not fail to satisfy yourself that it has not happened through any misdirection of your mind by me, but must be sought for in impressions produced by verbal opinions as to my expectations and wishes through other channels.

My instructions and powers seem to contemplate a negotiation for the abrogation of the whole of the unpaid portions of the bonds, to the extent mentioned, without entirely excluding an authority to negotiate for a portion.

The whole scope of the documents furnished to me by the executive and the auditor general of the state, point to this end. I have been led to believe, that to effect this was in the power of the bank of the United States. And here it is proper to say, that my impressions have not been produced through yourself either by letter or otherwise. This is, however, what I hoped to accomplish. At the same time, I have not been unwilling to entertain or enter into a negotiation for a part of the same, if I should come to the unbiased conclusion that the best interests of the state, and a proper regard to my understand-

ing of the wishes of the executive of Michigan would warrant it.

Sundry indications have been made by the Morris canal and banking company of its intentions to avail itself of every point in the original contract, and of a claim of modification thereof, which, in my opinion, are inconsistent with the final arrangement entered into by that institution and the bank of the United States with the state, through her agent, R. Wethers, Esq., in the execution of certain bonds for the payment of the subsequent instalments agreeably thereto.

This was especially manifested in the service upon me of a notice respecting the January instalment, which my presence as agent of the state of Michigan, offered a pretence to make to me as official, though I never had nor pretended to have any such authority, as they were well aware, which could warrant such service upon me. These indications of the probable course of that institution, made at a moment when it was impossible for the state to provide against the contingency thereby created, induced me to apprehend great danger of loss to the state, in the surrender of the guarantee of the bank of the United States, whose whole course has inspired entire confidence, and instead thereof, to rely solely upon the above named institution for the advances necessary to meet the engagements of the state upon her outstanding debt, before adequate provision has been made from other sources.

Without intending, therefore, to reflect upon that institution who has a right, undoubtedly, to avail herself, as one of the contracting parties to this loan, of every incident which she deems promotive of her interests, and in compliance with her understanding of the contract, and the modification claimed by her, I, nevertheless, consider it my duty in effecting any negotiation, to guard the state against the effect of such interpretation which, as in the instance stated, may at a future period place the credit and honor of the state in jeopardy without the timely notice necessary to guard against it, on the plunging her into a legal controversy, which is especially to be deprecated and avoided.

In conclusion, I have most respectfully to declare to you, that I have frankly and I believe fully, stated the ground which it appears to me I occupy, and further to say, that if the proposed arrangement is of sufficient importance to the bank of the United States to induce any proposition which will obviate the difficulty herein indicated, it will give me much pleasure to display a prompt and decided action notwithstanding the impressions I have reason to believe you have formed, however unjustly, of my preference for a contrary policy.

With sentiments of the highest consideration and respect,

Your most obedient servant,

K. PRITCHETTE.

From George Griswold, Esq., reiterating his proposition to surrender a portion of the Michigan State bonds, &c.

(Copy.)

BANK OF THE UNITED STATES, }
New York, January 3, 1840. }

K. PRITCHETT, Esq.:

SIR—I have the honor to acknowledge the receipt of your valued favor of the second inst.

In reply, I beg leave to state, that I am now prepared to close the pending negotiation for the surrender of the sum of two and one half millions of six per cent stock of the state of Michigan, on the terms and conditions mentioned in the letter I had the honor to address to you, under date of the 25th and 28th December last.

I embrace this opportunity to state to you, that I am not authorized nor can I for a moment entertain a proposition for the surrender of said stock, coupled with the Morris canal and banking company, having no interest in, or control over the affairs of that company or their action in that behalf. Anticipating an early reply to the proposition referred to,

I am, with great respect,

Your obedient servant,

GEORGE GRISWOLD.

To George Griswold, in reply to his reiteration of his proposition to negotiate with the State of Michigan for a surrender of a portion of her State bonds.

(Copy.)

New York, January 4, 1840.

To GEORGE GRISWOLD, Esq.,

Bank United States in New York:

SIR—I have the honor to acknowledge the receipt of yours of yesterday, noticing my last communication, and reiterating the proposition made to me on the 28th ultimo.

As this proposition does not meet the points constantly kept in view in my correspondence, and explicitly stated in my last letter, it is only left for me to express my regret, that our protracted attempts at a negotiation, has advanced it little beyond the ground originally occupied, which if maintained on your part, must put an end to the hopes I had entertained of a favorable issue to my mission, in the performance of my trust agreeably to the spirit of my instructions and the powers confided to me.

I remain, with sentiments of great respect,

Your most obedient servant,

K. PRITCHETTE.

To George Griswold, Esq., informing him of the receipt of a proposition from the Morris Canal and Banking Company, which, if accepted, would be favorable to the proposition of the bank of United States, as of the 6th inst.

(Copy.)

New York, January 6, 1840.

TO GEORGE GRISWOLD, Esq.,
Bank United States, New York:

SIR—I have the honor to make known to you, that I have, this day, received a proposition from the Morris canal and banking company, for a surrender of a portion of the bonds of the state of Michigan, and an abrogation of their contract to that extent. Should this proposition prove acceptable, it will place my negotiation upon the basis contemplated in my correspondence with the bank of the United States, through you.

The object of this communication is to say, that in the event of a satisfactory negotiation with that institution, I shall be willing to entertain the proposition made by the bank of the United States, and should the details of that proposition be satisfactorily adjusted, shall be willing to enter into the arrangement *as of this date.*

I have thought it proper to make this suggestion, inasmuch as I have been given to understand, as your opinion, that my authority may cease with the expiration of the term of the present executive.

Though I cannot recognize the validity of any such opinion, I have nevertheless not been unwilling to place this point on such footing as to obviate all question on your part.

Should the contingency above stated take place, you will be informed without delay.

With great respect,

Your most obedient servant,

K. PRITCHETTE.

Copies of letters from K. Pritchette to Edward R. Biddle, and Isaac Gibson to K. Pritchette.

(Copy.)

New York, December 21, 1839.

TO EDWARD BIDDLE, Esq.:

SIR—In reply to the verbal proposition made to me as agent of the state of Michigan, relative to the mode of payment by your institution of the January instalment of the state loan, I have to state to you, that I am not entirely satisfied that my authority reaches the extent involved in its acceptance.

Should my doubts be removed by a further consideration,
it will be made known to you.

With great respect,

Your obedient servant,

K. PRITCHETTE.

(Copy.)

MORRIS CANAL AND BANKING COM., }
December 24, 1839. }

KINTZING PRITCHETTE, *Esq.*:

DEAR SIR—Not having acceded to the proposition made by us to you on the 20th inst., I beg to inform you that we consider ourselves entitled to make the payment of the instalment to the state of Michigan, on the first day of February, (on which day the drafts of the auditor general, drawn in conformity to the sub-contract made by governor Mason, fall due,) and you will please to consider this as an official notice thereof.

I remain, very respectfully,

Your obedient servant,

ISAAC GIBSON, *Cashier*.

From Edward R. Biddle, Esq., proposing to negotiate for the abrogation of a portion of their contract with the State of Michigan for State stock.

(Copy.)

OFFICE OF MORRIS CANAL AND BANKING COM., }
Agency, New York, January 6, 1840. }

KINTZING PRITCHETTE, *Esq.*:

DEAR SIR—We have the offer of a certain property in the state of Pennsylvania, to be mortgaged as a first lien to the extent of \$150,000, (one hundred and fifty thousand,) which belongs to the Great western iron company, to be made by the parties satisfactory to you, as a payment of the first obligations due on our part to the state of Michigan, which we will pay to you to the said extent, without recourse to us, if acceptable to you. Further, we propose delivering to the state of Michigan, three hundred and fifty thousand dollars (\$350,000,) state of Michigan 6 per cent bonds, at 97½ per cent, in payment of the first instalment due thereafter, securing the said state for the delivery of the said three hundred and fifty bonds of \$1,000 each, within eighteen months, by a deposit of satisfactory security, thereby securing our debt to the said state of Michigan, to the extent of \$500,000, as specified above. The

interest to be equitably settled on these sums, as cash, the first of January, 1840.

The security to be given by us, to be lodged in the hands of a person agreeable to both parties.

With great respect,

I am, your most obedient servant,

E. R. BIDDLE, *President.*

To Edward R. Biddle, President Morris Canal and Banking Company, in reply to his proposition to negotiate for the surrender of a portion of Michigan State stock.

(Copy.)

New York, January 7, 1840.

To EDWARD R. BIDDLE, Esq.,

President of the Morris Canal and Banking Company:

SIR—I have the honor to acknowledge the receipt of yours of yesterday, making a proposition for the payment of the first instalments becoming due under your contract with the state of Michigan, for her state loan. Without further explanation of that proposition, I do not feel myself prepared to make a definite reply. It seems necessary that I should know the character of the mortgages proposed to be offered by you, and to have a statement showing the manner in which the commission and interest account is to be adjusted.

This will enable me to form a judgment how far your proposition is within my powers and instructions. With this preliminary information, it will give me great pleasure to open the negotiation contemplated by your proposition.

With great respect,

Your obedient servant,

K. PRITCHETTE.

From the Morris Canal and Banking Company, showing the manner in which they propose to adjust their interest account, in their proposed negotiation for a surrender of a portion of the State loan.

(Copy.)

OFFICE OF MORRIS CANAL AND BANKING COM., }
Agency, New York, January 8, 1840. }

KINTZING PRITCHETTE, *Esq.:*

DEAR SIR—In conformity to your desire, expressed in your favor of yesterday's date, we now beg leave to submit to you the manner in which the interests accounts, as stipulated in our

engagements with his excellency S. T. Mason, should be adjusted.

We understand from the parties who are to give the mortgage for \$150,000, that they expect to be able to satisfy you as to the character of it in the course of the day.

As we have other appropriations of our securities in view, it is necessary that we should have an early decision in relation to our proposal.

I remain, with great respect,

Your most obedient servant,

E. R. BIDDLE, *President.*

(Copy.)

Morris Canal and Banking Company, to State of Michigan.

To seven instalments due to the state, and maturing agreeably to the acceptances given, from 1st April, 1840, to 1st October, 1841, inclusive, each instalment being for \$62,500,

\$437,500 00

Add one year's interest, to January, 1840,

26,250 00

\$463,750 00

By mortgage for

\$150,000 00

Michigan sixes, 307 at 97½,

299,482 50

Thirty days' interest upon the instalments proposed now to be liquidated, viz: payment by the Morris canal and banking company,

\$463,750 00

do U. States bank, 2,345,250 00

\$2,809,000 00

14,045 00

468,527 50

Cash to balance account,

\$222 50

The Morris canal and banking company to pay the interest on \$307,000 Michigan sixes, on the 1st July, 1840, and 1st July, 1841.

Acceptances of the Morris Canal and Banking Company.

Due 1st April, 1840, \$67,187 50 Deduct 3 months' int. *\$987 50

1st July, do 68,125 00 do 6 do do 1,875 00

1st Oct. do 69,062 50 do 9 do do 2,812 50

Carried forward, \$

\$

* This amount is included in the acceptance.

| | | | | | |
|---------------------|--------------|-------|----|----|-------------|
| Brought forward, \$ | | | | | \$ |
| 1st Jan. 1841, | 70,000 00 | do 12 | do | do | 3,750 00 |
| 1st April, do | 70,987 50 | do 15 | do | do | 4,687 50 |
| 1st July, do | 71,875 00 | do 18 | do | do | 5,625 00 |
| 1st Oct. do | 72,812 50 | do 21 | do | do | 6,562 50 |
| | <hr/> | | | | <hr/> |
| | \$490,000 00 | | | | \$26,250 00 |
| | 26,250 00 | | | | |
| | <hr/> | | | | |
| | \$463,750 00 | | | | |

The twelve instalments payable by bank United States, amount, (exclusive of interest,) to \$2,212,500 00
 Add one year's interest, accrued up to 1st Jan'y, 1840, 132,750 00

\$2,345,250 00

To E. R. Biddle, Esq., President of the Morris Canal and Banking Company, declining the proposals as contained in his letter of the 8th instant.

(Copy.)

New York, January 9, 1840.

*To E. R. BIDDLE, Esq.,
 President Morris Canal and Banking Company:*

SIR—I have the honor to acknowledge the receipt of your favor of the 8th instant, and to inform you that I cannot entertain, on the part of the state of Michign, the proposal made by the Morris canal and banking company, as contained in your communication of that date.

With great respect,

Your most obedient servant,

K. PRITCHETTE.

From Edward R. Biddle, President Morris Canal and Banking Company, asking an interview.

(Copy.)

OFFICE MORRIS CANAL AND BANKING COM., }
January 9, 1840.

K. PRITCHETTE, Esq.:

SIR—This morning I am favored with your communication of yesterday's date.

I have been under the impression that it was your desire to make some arrangement, by which the bonds of the state of

Michigan might be returned to the state; if such should be the case, I should be much pleased to have an interview, in the hope that a mutual advantageous settlement of a portion of our indebtedness to the state of Michigan can be effected with you without reference to the mortgage.

I remain, sir,

Yours, very respectfully,

E. R. BIDDLE,
President.

To E. R. Biddle, President Morris Canal and Banking Company, in reply to his communication of the 9th instant, asking an interview.

(Copy.)

New York, January 10, 1840.

To EDWARD R. BIDDLE, Esq.,

President Morris Canal and Banking Company:

SIR—I have to acknowledge yours of yesterday's date. In reply, I beg leave to say, that your impressions regarding my desire to negotiate for the surrender of the bonds of the state of Michigan, are accurate. In confirmation of which, allow me to refer you to my communication dated December 4, 1839, and your reply of same date. Also, to a further intimation to you of my wishes on this subject, dated December 6, to which I had not the honor of a reply.

I take this opportunity further to state, that in a memorandum of instructions accompanying my authority from governor Mason, he explains as the motive of this movement, that "it has been suggested by Mr. E. R. Biddle, that it may have become an object to the bank, as well as to the state of Michigan, to cancel the existing contract and obligations of the respective parties." Acting upon this suggestion, he has empowered and instructed me to propose, "if desirable to the bank, to cancel the contract for all payments after January first, 1840, to re-convey the obligations of the parties, so as to place each in their original position with respect to the remaining unpaid instalments; the state receiving its stock at the rate sold (97½,) and the bank, its bonds as filed, to meet that rate."

The canceling of the whole of the unpaid portion of the loan, is here stated as the distinct object of the executive, and this end I have seditionously kept in view, and this I hope to effect. In a subsequent letter, however, he so far extends his instructions as not to exclude an authority to negotiate for such portions as the contracting parties are enabled to return, if the whole of the stock should not be under their control.

I have been thus explicit, that no further questions, as seems

to be intimated in your letter, may remain upon your mind as to my desire to effect the objects in view, upon the basis above stated.

Your late proposal not meeting, in my opinion, the spirit of my instructions, I made known to you that they were not acceptable.

In conclusion, permit me to say, that if it has become desirable for the bank to act upon the suggestions made by you to governor Mason, conformably to his instructions to me, it will give me great pleasure to fulfill the trust confided to me. With a view to which, if it is still your desire, I shall be happy to see you at any hour to-morrow your convenience will allow you to designate.

With great respect,

I have the honor to be,

Your obedient servant,

K. PRITCHETTE.

From Edward R. Biddle, President Morris Canal and Banking Company, appointing the hour for an interview.

(Copy.)

OFFICE MORRIS CANAL AND BANKING COM., }
Agency, New York, January 11, 1840. }

KINTZING PRITCHETTE, Esq.:

DEAR SIR—On my return this morning from New Jersey, I had the pleasure of receiving your favor of yesterday's date.

We will be happy to see you this morning at 1 P. M., in the hope of meeting the modified instructions received by you from the executive of the state of Michigan.

With great respect,

I am, your most obedient servant,

E. R. BIDDLE.

From Edward R. Biddle, President Morris Canal and Banking Company, containing a proposition which assumes to be in accordance with the views of the Executive of Michigan, as expressed through his agent.

(Copy.)

OFFICE OF MORRIS CANAL AND BANKING COM., }
Agency, New York, January 11, 1840. }

To K. PRITCHETTE, Esq.:

SIR—Since we had the pleasure of seeing you this morning, and upon a careful re-perusal of your favor of the 10th inst. be-

fore unacknowledged, and to which you especially referred in our interview, for the instructions under which you act, and from which we learn, that you have been empowered and instructed "to propose, if desirable to the bank, to cancel the contract for all payments after the first of January, 1840, to reconvey the obligations of the respective parties, so as to place each in their original position with respect to the remaining unpaid instalments, the state receiving its stock at the rate sold (97½) and the bank its bonds as filed to meet that rate. And also, that in a subsequent letter, the executive so far extends his instructions "as not to exclude an authority to negotiate for such portions as the contracting parties are enabled to return, if the whole of the stock should not be under their control."

We have concluded to meet the views of the executive as thus expressed to you; the arrangement to be fully carried into effect according to the following preliminary conditions, or such modifications as may be mutually satisfactory.

1st. The cancelment of the contract for payments hereafter to become due, to embrace the five first instalments. The Morris canal and banking company to deliver to the state the stock within eighteen months from the first of January, 1840; satisfactory security for the delivery thereof to be deposited with such party as may be mutually agreed upon.

2d. The Morris canal and banking company will furthermore pay to the state of Michigan in liquidation of a corresponding amount of their obligations, a certain bond and mortgage for one hundred and fifty thousand dollars (at 97½) should the said bond and mortgage, upon further explanation, prove to be satisfactory and acceptable to the state.

3d. Or they would deliver other state six per cent stocks, at 97½ per cent to the state in lieu of the said mortgage, within nine months from this date.

You are at full liberty to consider and accept these three propositions either separately or unitedly.

I remain, with great respect,

Your most obedient servant,

E. R. BIDDLE,

President.

To Edward R. Biddle, President of Morris Canal and Banking Company, in reply to his letter of the 11th inst., and closing the negotiation.

(Copy.)

New York, January 13, 1840.

To EDWARD R. BIDDLE, Esq.,

President of the Morris Canal and Banking Company:

SIR—Yours of the 11th instant is before me. I have given
[Sen. Doc.]

the proposals therein made, a careful perusal, and examined it in connexion with the statement furnished by you on the 8th instant, to which I was referred in our interview as a plain exhibit (with a slight and immaterial modification,) of the mode in which the state was to be restored to her *original position*.

You state that "we have concluded to meet the views of the executive, as expressed" in my letter of the 10th inst.

This you propose to do by liquidating *the five first instalments becoming due* by an *agreement*, to return in 18 months, a certain amount of state stock, to pay a further sum on said instalments in the stocks of other states at 9 months, or in a certain bond and mortgage in Pennsylvania.

After a due reflection upon this proposition and the statement showing your method of adjusting the interest account, I am satisfied that your proposition will, in no essential particular, place the parties to the loan in their original position.

It seems unnecessary to point out more particularly the objections which are so manifest upon the face of the proposition.

I had certainly hoped that, of so large a portion of stock confided to the contractors, some portion at least would have remained under their immediate control. In this I have been disappointed.

I have, therefore, after an effort protracted for nearly two months, during which no approximation has been made, in my opinion, to a conclusion on your part, to meet the views of the executive, as expressed through me, respectfully to decline any further negotiation on behalf of the state of Michigan.

With great respect,

Your obedient servant,

K. PRITCHETTE.

To George Griswold, Esq., Bank of United States, in New York, informing him that the attempt to negotiate with the Morris Canal and Banking Company, had failed and was closed.

(Copy.)

New York, January 13, 1840.

To GEORGE GRISWOLD, Esq.,

Bank of United States, in New York:

SIR—I had the honor to make a communication to you on the 6th instant, stating that I had received on that day, a proposition from the Morris canal and banking company, for a surrender of a portion of the Michigan state bonds, and advi-

sing you that if the proposition should prove acceptable, it would place my negotiation on such basis as would enable me to entertain that made by the bank of the United States.

That proposition having proved entirely unsatisfactory, it appears to me due to you to make the fact known to you, as a result which puts an end to all further negotiation through me with the state of Michigan.

With great respect,

Your obedient servant,

K. PRITCHETTE.

Letter from E. R. Biddle, President of the Morris Canal and Banking Company, covering a proposition to the State of Michigan, to secure and pay their indebtedness on the Michigan State loan.

(Copy.)

OFFICE OF MORRIS CANAL AND BANKING COM., {
January 31, 1840. }

KINTZING PRITCHETTE, Esq.:

SIR—We beg leave to submit for the consideration of the state of Michigan, a renewed proposal to secure and pay the state, in consideration of a prolonged credit being given on some of the instalments, or delivery of the bonds, as the case may be, and to the full extent of our indebtedness.

It is probable that a very considerable extension in time, will be required on some of the future instalments, should our proposal to secure the state be again declined.

I am, very respectfully,

Your most obedient servant,

E. R. BIDDLE,

President.

The Morris canal and banking company propose to the state of Michigan—

1st. To surrender, within the term of eighteen months, the bonds of the state, at the rate of 97½ per cent, for

\$150,000 00

Also, within the term of twenty-four months, as above, to the amount of

150,000 00

Also, within the term of thirty months, as above, to the amount of

150,000 00

And also, within the term of thirty-six

Carried forward,

\$

| | |
|--|--------------|
| Brought forward, | |
| months, as above, to the amount of the indebtedness then existing from them, | 174,500 00 |
| Or, in place of surrendering the bonds as above stated, to pay in cash, within the respective periods, for an equivalent amount of bonds at the par value. | |
| 2d. To deliver to the state, immediately upon the acceptance of these proposals by the state, a mortgage on the property of the Great western iron company, of Pennsylvania, for | 150,000 00 |
| Also, a bond and mortgage of Sidney Ketchum, on property in Michigan, for | 225,000 00 |
| | <hr/> |
| | \$999,500 00 |
| | <hr/> |

These bonds and mortgages to be taken without recourse to the Morris canal and banking company.

In consideration of the above payments, &c., the said company will retain as follows :

| | |
|---|--------------|
| 1st. Of the instalments that will be due to the state, one-half in April and one-half in October next, and now guaranteed by the United States bank, | \$200,000 00 |
| Also, of the instalments which will be due in January, 1841, guaranteed by the said bank, | 50,000 00 |
| 2d. The instalments due to the state from the said company, and not guaranteed by the said bank, and falling due the 1st of April next, and subsequently each consecutive quarter shall be liquidated for | 749,500 00 |
| | <hr/> |
| | \$999,500 00 |
| | <hr/> |

The said company will agree, in this settlement, to relinquish their claim of thirty days' interest on the instalments settled by this agreement. They will agree to pay the interest on the stock to be delivered to the state from 1st January, 1840, and will so arrange interest, as to place the state in the same position, (as regards interest,) as though the contract had never been made for the above sum of \$999,500 00.

The said company will also place security for the surrender of the stock and payment of the interest thereupon as above, in the hands of some party, to be mutually agreed upon—such security to be returned as the payment of principal and interest are made, in amounts pro rata to the payments.

The company will be bound to comply with these proposals, provided the same are accepted by the state within thirty days.

To Edward R. Biddle, President of the Morris Canal and Banking Company, acknowledging the receipt of a proposition to the State of Michigan.

(Copy.)

New York, February 1, 1840.

To EDWARD R. BIDDLE, Esq.,

President of the Morris Canal and Banking Company:

SIR—I have the honor to acknowledge the receipt of your favor of the 31st ultimo, covering a proposition to the state of Michigan for the liquidation of certain instalments of the Michigan state loan becoming due from your institution.

As I leave immediately for Michigan, it will give me great pleasure to give your proposition the direction indicated, without delay, and have no doubt a reply may be received within the time therein limited.

With great respect,

Your most obedient servant,

K. PRITCHETTE.

[No. 59.]

**Report of the Minority of the Committee on Finance,
on the five million loan.**

The undersigned, a member of the committee on finance, to whom was referred a special message of the executive, upon a proposition made to the state by the Morris canal and banking company, regarding the state loan of five millions of dollars, having examined the report of the majority of that committee, takes occasion to express his entire dissent therefrom. He considers it a duty which truth and justice demand, that he should protest against the partial and unfair statements therein made, and exercise his privilege in presenting the following results of his investigations, as the minority report:

It appears, that sometime in the month of October, 1839, during the universal embarrassment which has arisen from the prostration of the credit system, displaying itself in the general inability to meet pecuniary engagements, particularly among the banking institutions of the United States, a suggestion was

made to the executive of the state, by the president of the Morris canal and banking company, "that it might have become an object to the bank, as well as the state, to cancel the existing contract and obligations of the respective parties, to the Michigan state loan." The avowed motive of this suggestion was, that the bonds of the state were unavailable to the bank, in consequence of the depreciation of American securities in Europe. Soon after came the astounding intelligence, that the drafts of the bank of the United States on Europe, had been dishonored, her credit abroad destroyed, and her situation rendered exceedingly critical. A suggestion, therefore, of the character stated, made at such a time, from such a quarter, impressed the executive with strong apprehensions that both the bank of the United States, and the Morris canal and banking company, from their well known extensive engagements doubted their own ability to comply with their contract with the state. The daily expectation of an universal bank suspension, in which the bank of the United States had taken the lead, and compelled a majority of the banking institutions of the several states to follow her example, rendered the payment of the future instalments of the loan exceedingly doubtful. With these facts in view, the undersigned is of the opinion, that the apprehensions of the executive were well founded, and that the apparent urgency of the case called for, and justified prompt and vigorous measures to preserve the state, if possible, from loss.

Should the purchasers of the state bonds fail to meet their engagements with the state, it is difficult to imagine an occurrence fraught with consequences more fatal to the future prosperity of Michigan. Burdened with the interest on five millions of dollars for twenty years, and the principal at the expiration of that period, without having received but little more than two millions of the amount, is a picture calculated to startle the boldest. Had such a catastrophe occurred, as there was every prospect, without any effort to prevent it, when would the sound of the clamor have ceased against the executive for his culpable remissness in neglecting the most vigorous measures to save the state?

That the course taken by governor Mason was proper in the opinion of the most prominent members of the present administration, and urged most strenuously upon him by their ablest financier, notwithstanding the singular duplicity now presented, will hereafter be made to appear. To avert the evil which appeared so imminent, to avoid the consequences of so disastrous a loss, to relieve the state at once of \$3,000,000 of its onerous debt and the interest payable thereon, the executive, acting under the authority which gave him power to create the loan, instructed and empowered the late bank commissioner

to proceed to New York, as the agent of the state, and open a negotiation for this object. The charges made against the fidelity of the agent of the state, are entirely gratuitous and unfounded, as the undersigned is prepared to show. Mr. Pritchette was instructed by the executive, and clothed with power to perform a certain duty. This authority, which was delegated to him by the late executive, was claimed by that officer under a special act conferring upon him certain powers. It will be remembered that this authority was vested in governor Mason against his request, made in a special message to the legislature, and that they insisted upon clothing him with the powers specified in that act, which has not been changed by any successive legislation. These powers were entirely distinct from his constitutional powers as governor of the state. They have been exercised by him from time to time under the sanction of this law, and the validity of his acts have never been questioned. On the contrary, several modifications of the original contract have been subsequently made, as occurring contingencies demanded. This action, on the part of the executive, was necessary to preserve the interest of the state. Instead of censure for what is now called an assumption of power, he has not only received the sanction but the approbation of successive legislatures. Without the exercise of this sound discretion, the whole system of internal improvement had long since been paralyzed, and of necessity abandoned. Convinced of this, the representatives of the people have heretofore recognized the validity of the power claimed, and its repeated exercise, by legislative enactment, based upon these modifications of the original contract. For the better understanding of this subject, it will be necessary to examine the nature of the original contract for this loan, and the character of the authority governor Mason proposed to exercise.

It should be kept in view that the agreement with the Morris canal and banking company for this loan, is not a contract of sale to that company of the state bonds of five millions of dollars. The contract, so called, with the Morris canal and banking company, made between the people of the state of Michigan, by Stevens T. Mason, governor of said state, acting under the authority of the state, of the first part, and the Morris canal and banking company, of the second part, declares: that the parties of the first part have contracted with and employed, and do hereby contract with and employ the parties of the second part, *as agents to sell the bonds* issued and to be issued by the state of Michigan, under the acts of March 1, 1837, and November 15, 1837. The contract enumerates the bonds to be sold, the method of sale, the commissions payable for the service, when and how the proceeds of the sales are to be paid, guarantees the payment of any deficiency of sales under par,

the advances to be made by the said agents, the time, place, and method of the delivery of the bonds, gives the agents a choice of the place of payment after notice, limits the period within which the whole amount of bonds are to be delivered, and renders the agency irrevocable until the completion of these engagements. The sale of three millions of the state bonds to the bank of the United States by these agents, was considered so beneficial to the state as to induce the executive to alter the contract with the Morris canal and banking company in some of its essential features, and render it in effect a new contract, totally different from the former in several important particulars. This has been sanctioned by the action of the representatives of the people, so far as to legislate to meet the provisions of the new engagement or contract. No law, however, has been passed legalizing this new contract. Now, it is perfectly manifest, that if the power of the executive, as is contended, was, by the limitation of the law, confined to the creation of a contract, his signature to which concluded all his power in the premises, then the second contract is illegal and void, and the state cannot enforce it against the parties, or recover a dollar under it. If the first contract is alone valid and the second invalid by reason of the want of authority to create it, then is the latter contract of a personal unauthorized return, which not being binding on the state, it is perfectly competent for the parties making it, to annul.

Since, therefore, the power to annul the original contract is denied, then that contract is the only valid one in existence, between the state and the Morris canal and banking company, or any other party, and the subsequent one being without authority, cannot be recognized by the state. Such are the inevitable consequences which result from the reasoning of the majority report, and there is no escaping from these consequences, if the premises are assumed, upon which their arguments, are founded. It follows, then, beyond a contradiction—if the reasoning of the majority of the committee be correct, that the power of governor Mason was merely “to make a specific contract, and that when the contract was signed the duty was performed, and the agency ended”—that all subsequent arrangements, whatever, no matter how necessary to the interests and safety of the state, are unauthorized, illegal and void. Before this ground is assumed by the legislature, it would be well to consider how this position will effect the guarantee of the Bank of the United States for three millions of our state loan. The course of the late executive was taken, without doubt, under a firm conviction, that none other would meet the exigency of the case. Had he called together the legislature, the delay might have been fatal. The agent intrusted with this

important mission, acted with prudence and firmness. He found that the danger of loss from the bank of the United States had passed away, and he declined any negotiation, as will appear from the correspondence, except upon the terms that the bank of the United States would undertake for the security of the whole loan. If this had been effected, would the legislature have blamed him for possibly saving near a million of dollars to the state? If any evil grows out of this matter at all, it will be traced to the unpardonable exposure, garbling and misrepresentation of the correspondence, for political effect, by the dominant party press, with an eagerness which did not allow a previous examination of the report thereon. How far there is reason to apprehend, that the course taken may effect the value of our bonds, the credit of some of the parties, and their ability to meet their engagements with us, time will disclose.

I now proceed to a more particular examination of the proceedings of the agent and the authority which he proposed to exercise, and to expose the singular errors into which the majority of the committee seem to have fallen. If any apparent inconsistency is displayed, it will not be found on the part of the executive or the agent of the state, but in the conduct of those who proposed the return of our state bonds, as unavailable, which it was found they had hypothecated and placed beyond their control.

The power of attorney, which vested Mr. Pritchette with the necessary authority in the premises, bearing date November 16, 1839, declares, "that whereas, it has become important to the said state to cancel the contract for so much and such parts of the said loan as yet remains unpaid by the contracting party or parties," he is empowered as agent "to contract with the Morris canal and banking company, the bank of the United States, or any other party, for the abrogation of the aforesaid contract, on such terms as shall, in his opinion, be just and correct, and most conducive to the end in view." By the letter of instructions, accompanying this authority, the motive of the late executive is thus stated: "the present condition of the two institutions is such, and the risk of the state of Michigan so great, that you will accept of any reasonable and equitable terms to secure the remaining stock and protect the state from loss." In the opinion of the undersigned, there is nothing contained in these papers which display any thing else than an anxious desire to protect the state from great loss, and a devotion to her best interests. The statement made in the report of the majority, that Mr. Pritchette proceeded to New York and commenced a negotiation with "the bank of the United States in New York," *has not one single fact to sustain it.* This can be proved to a demonstration. How the

committee could have fallen into this error, it is difficult to conceive without the imputation of motives not proper to express to the senate. Mr. Pritchette proceeded to Philadelphia and made a communication to the *president of the United States bank*, as will appear by reference to his letter to that functionary, bearing date November 29, 1839, and his reply of same date thereto. After attempting, without effect, to negotiate there, he went to New York and attempted, with no better success, to open a negotiation with the Morris canal and banking company in New York, as will appear by his letter to the president of that institution, of date of December 4, 1839, and the reply thereto of same date. The president of the bank of the United States, in the letter referred to, uses the following language: "if any information hereafter received from the agency of the bank in London, should open the way for such negotiation, I will apprise you of it." On the 6th of December, he addressed another letter to the president of the Morris canal and banking company, in which he says, "having heard an intimation since the arrival of the steam ship Liverpool that a number of state bonds had been returned from Europe by that vessel, allow me to inquire whether you have any information relative to the return of those of the state of Michigan." To this he received a verbal reply that no information had been received; *and here closed all further attempts on his part* to open a negotiation with that institution. On the next day, December 7, he addressed the president of the bank of the United States, in Philadelphia, T. Dunlap, Esq., making a similar inquiry, and on the 9th, received from Philadelphia his reply, stating that no information concerning the state bonds had been received. *Here also closes all attempts on the part of Mr. Pritchette* to open a negotiation with the bank of the United States. On the 19th of December, Mr. George Griswold having received authority from the bank in Philadelphia, addresses a letter to Mr. Pritchette, in behalf of that institution.

In this letter he inquires if he will agree to a negotiation with the "*said bank of the United States, of contract with the Morris canal and banking company.*" Now the only bank of the United States "*of contract with the Morris canal and banking company*" is the bank of the United States in Philadelphia. No use is made of the name of "the bank of the United States in New York," in any of the correspondence with Mr. Griswold, as a party to any proposition whatever, or of the remotest interest in the negotiation. Mr. Griswold happens to be the president of that bank, and dates his letters from his place of business, and this appears to have been seized upon to rear a tissue of the most preposterous and unfounded charges. It appears then, that Mr. Griswold, *on behalf of the bank of the United*

States, the holders of the \$3,000,000 of the state loan, commenced the attempted negotiation with Mr. Pritchette, in the capacity of agent of that institution. Will the majority of the committee point out a single letter in which the official character of "president of United States bank in New York," is assumed by Mr. Griswold. Mr. Biddle's signature to his letters is always as president of the Morris canal and banking company, and that of Mr. Dunlap as president of the bank of the United States. Where is to be found such an appendage to the signature of Mr. Griswold? There is not the shadow of ground then, for this extraordinary assertion, without drawing upon the imagination for facts, that "the bank of the United States in New York" was a party to correspondence, interest, or negotiation in this business. The true fact then is, that the bank of the United States in Philadelphia, the holders of \$3,000,000 of the loan, opened the negotiation themselves through their agent, which they had previously declined to entertain.

It is demonstrated, therefore, that Mr. Pritchette never *commenced* nor held any correspondence with "the bank of the United States in New York." We now come to the attempted negotiation with the Morris canal and banking company, which it will be seen, as in the case of the United States bank, was opened by a proposition made by *Mr. Edward Biddle*, president of that bank, bearing date January 6th, 1840, after he had stated in his letter of Dec. 4, 1839, that he did not know "what the several purchasers had done with the bonds." The propositions of the Morris canal and banking company not being, in the opinion of our agent, such as would be acceptable to the state, were rejected and the negotiation closed by him. The last proposition transmitted by him, and which was referred to the committee was not made to Mr. Pritchette, nor did he receive it as agent of the state. It was made and addressed to the *state of Michigan*, and as the representatives of the people of the state, it comes before the senate. Such is the true character of this document and as such it was transmitted directly by the Morris canal and banking company to us. We now approach in the examination of the report of the majority of the committee a very serious charge, made under the sanction of a legislative proceeding, by members sworn to the faithful performance of their duties.

Legislatures have powers defined by the constitution, and the laws protect them in their exercise. It should not be forgotten, however, and least of all in deliberative bodies, that citizens have also rights guaranteed by the constitution and the laws. If these charges are correct, they are destructive of the character of Mr. Pritchette and fix an indelible stain of infamy upon it. If, on the contrary, it shall appear that this charge is as baseless as the former, what will the people of the state of

Michigan, as honorable as intelligent, say to the senator who stamps his name upon the record with all the weight which he derives from their delegated authority? His seat in this house becomes a sanctuary when shadowed by the sacred shield of the constitution. My lips are sealed; but the voice of the people is said to be the voice of God, and it is never more truly so than when it is heard in support of truth and integrity, and in condemnation of falsehood and dishonor. The grave charge made against Mr. Pritchette is that of proposing to append to the agreement or contract, a false date, in order that no question could be raised as to the validity of his authority to act in the premises. Figures, says the majority report, are unerring guides of truth. This charge however is a *figure* of speech of the opposite character. Let us examine the data upon which this charge is founded. The language of Mr. Pritchette's communication is as follows; "That in the event of a satisfactory negotiation with that institution, viz: (the Morris canal and banking company,) I shall be willing to entertain the proposal made by the bank of the United States, and should the details of that proposition be satisfactorily adjusted, shall be willing to enter into the arrangement as of this date."

Is there any thing in this unusual, irregular or contrary to the custom of merchants? Are not such arrangements as herein contemplated, of every day occurrence, to avoid technical objections? Does the report mean to insinuate that the agent of the bank of the United States, Mr. George Griswold, of the city of New York, consented to be a party to an illegal and daring fraud upon the state? Without gross perversion of language, no such meaning as proposing to affix a false date can be tortured therefrom. The plain meaning of the language of that letter is this: Having no doubts of my own of the continuance of my authority in the premises, yet willing to relieve you from doubt on that head, I am willing, if the proposed arrangement is completed with the Morris canal and banking company, and the details are satisfactory, to consider the proposition you have made, *this day accepted*. Is not this legitimate? Does it follow from this that a false date is to be affixed to the contract or agreement, if subsequently committed to writing? Had the contract been perfected, all that would have been necessary would have been to have recited the preliminary arrangement in the written contract or articles of agreement setting forth the whole transaction, bearing the date of the execution of the instrument. The imputation then cast upon Mr. Pritchette, of a proposal "to append a false date," is not borne out by the facts, and is a gross insult to the character of the distinguished citizen of New York to whom that letter was addressed. There is no ground, therefore, for the use of the language "illegal and daring fraud," as connected with

this part of the transaction. The undersigned respectfully submits that the use of language libellous in the extreme, which would subject a citizen in his individual capacity to an indictment by our criminal courts, and for which the laws of the land would afford the subject of it ample redress, should not be admitted as part of a report, which, from the legislative capacity of its makers, screen them from the consequences. In the opinion of the undersigned, nothing covert, illegal or fraudulent is any where manifested by the agent of the state in this or any other part of his proceedings. On the contrary, he every where displays a determination to keep strictly within his powers and instructions, and to accept no terms which were not just and correct and for the best interests of the state.

The undersigned has formed this opinion from the facts derived from the correspondence submitted to the committee. It will be there seen, that the bank of the United States ultimately offers to surrender the state bonds, at 97½, though she insists, through her agent, Mr. Griswold, that \$1 00, or par value, was the price paid for them, to the Morris canal and banking company. This offer, which is a loss to the United States bank of 2½ per cent, on over two millions of dollars, is certainly a liberal one. It was brought about, however, as will be seen by reference to the correspondence, by the firm determination expressed by the agent of the state, to decline negotiation upon any other terms than such as would replace the state in her original position without loss, and this too, after the agent of the bank had expressed his determination not to submit to any other terms than par. Yet, even this retraction of the principle assumed, and the favorable modification of the proposition of the bank of the United States, is refused by the agent of the state, because, in the language of his letter of January 2, the course of the other contracting party, "induced (him) to apprehend great danger and loss to the state in the surrender of the guarantee of the bank of the United States, and instead thereof, to rely entirely upon the above named institution, viz: (the Morris canal and banking company,) for the advances necessary to meet the engagements of the state upon her outstanding debt, before adequate provision had been made from other sources." And again he says, "I nevertheless consider it my duty, in *effecting any negotiation*, to guard the state against the effect of such interpretations, which, as in the instance stated, may at a future period, place the credit and honor of the state in jeopardy, without the timely notice necessary to guard against it." Thus much it has been thought necessary to say in justice to the character and conduct of the agent of the state, which, in the opinion of the undersigned, has been most unjustly and wantonly assailed, by misstatement of facts, insinuations and charges utterly untrue and unfoun-

ded, and unsustained by the testimony, before the committee. In view of all these circumstances, the undersigned is compelled to express the deliberate opinion, however uncourteous it may appear, that the report of the majority of the committee, is nothing more than a political pamphlet, manufactured out of doors, with party feelings and party purposes, alike indifferent to the facts of the case, and the injury it may inflict upon the individuals who are the subject of its denunciations. That this is the true character of the document, is manifested from the fact, that in its singularly virulent endeavor to throw scorn and disgrace upon those of different political views, the language of the sacred scriptures themselves do not escape the profanation of a paltry pun, with the object of existing ridicule.

That the undersigned is justified in the expression of this opinion, will appear obvious to every unprejudiced mind, from the following facts:—It is well known that the chairman of this committee, both before and at the very time that the agent of this state was in New York, was himself there, making inquiries on the part of his political friends, in contemplation of coming into power, upon the practicability of effecting the very measures which he so eloquently denounces, with so much *patriotic* fervor, as disastrous to the character and interests of the state. As the undersigned is also informed, concurrence has been given by a high financial functionary, (whose bank machinery, with the aid of the legislature, and the funds of the state, is to redeem the fallen fortunes of Michigan,) to the late governor, urging upon him the propriety and importance of this very measure, while his agent was in New York. When informed of the probable failure of the attempted negotiation, he pressed upon him the vital necessity of effecting it, and suggested the transmission of additional instructions to the agent, to effect it upon almost any terms. By the published statement of the present executive of the state of Michigan, it will be seen that he “called upon his predecessor upon this very subject.” His own language, over his own signature, is as follows; “I fortunately, I thought, found governor Mason in his office. I forthwith stated to him *my motive for going to town and calling on him, that it was for two distinct purposes: first, to obtain the documents he had promised me, and second that I might learn from him what hope there might be of such further modification of the five million loan contract, as that the gross sum to be borrowed might be reduced to three millions.*” “He immediately commenced a conversation relative to the loan, and read an extract from a letter, purporting that no such arrangement could now be made.”

Here then is a public written avowal of the present chief magistrate of the state, representing the views and policy of

the dominant party, of his great anxiety that this very measure should be consummated. The undersigned takes this occasion to enter his solemn protest against the principles and reasoning assumed in this most extraordinary document, entitled the majority report of the finance committee, upon grounds of the highest importance to the people of Michigan. Passing by the deep sympathy expressed by the report, for the contractors on the public works—who have been ruined, if ruined at all, as therein stated, by the destructive discounts they have been forced to pay, to realize money on the post notes of an institution of which the chairman of the committee is a director and stockholder; an institution, at the mercy of which they are again placed, after having already suffered so severely—the undersigned presents graver matters for the consideration of the senate and the people of Michigan. The principle is advocated in the report of the majority, of diverting the internal improvement fund from the object for which it was borrowed, and putting it into the pockets of the present governor, legislature, judges, and the like. That report sagely inquires, “did governor Mason *think of these things* when he signed the power of attorney to Mr. Pritchette? Surely not! He certainly could not have anticipated that the internal improvement fund was to be diverted from its general application to the public good for the avowed object of oiling the wheels and springs of the political machinery of the present dynasty. The undersigned cannot refrain from deprecating this persistive course of depreciating the character and credit of the state. No effort has been spared to place the monetary affairs of our state before the whole world in their worst possible form. These constant and clamorous assertions of the absolutely desperate condition of Michigan, is every where producing the most disastrous effects, and in the end, these predictions of ruin will bring about their own fulfillment. No motive appears strong enough to prevent every thing from being dragged into the political arena. Every good custom and well established principle, vanishes before the demand for political capital. No art is too low, no tongue too base to be used in trumpeting to the world every thing which seems calculated to ruin the credit of the state abroad, and depress her interests at home, provided that a political object can be obtained.

If the result of all this be that our agricultural interests are ruined, and the products of the husbandman left to rot in his barns; if our commerce is crippled and our trade annihilated, immigration terrified from our borders; our public works useless and profitless; the credit of our state irretrievably lost, her pledges of faith treated with contempt, and the price of our bonds unpaid to us because rendered worthless and unavailable in the hands of the contractors for them, we shall have

to thank the unsparing warfare of those, who, in their aim for dominion, are willing to erect it on the ruins of every principle of right, and element of prosperity in the state. The result of the mission of our agent, whose acts we have been deputed to examine, has been to obtain an accurate knowledge of the construction of the loan contract, as understood by the purchasers, the present position and probable fate of our unpaid bonds, the ability and disposition for the payment of the remaining instalments, where loss may be likely to accrue, and the steps necessary for its prevention, and the security of the state; added to which he has obtained a variety of propositions from our debtors, some of them of as favorable character as they probably were able to offer. The opinion, therefore, of the undersigned is, that if instead of casting unmerited censure upon a faithful public agent, a proper use shall be made of the valuable information he is enabled to furnish, the true interests of the state will be better subserved. The terms which have been offered us through our agent, are probably the best that the contractors were able to make, and it is the opinion of the undersigned, that if the legislature are not prepared to accept them, the mission of another agent is a useless expense added to the heavy burden which a protracted session has already imposed upon the people of Michigan.

SAMUEL ETHERIDGE.

[No. 60.]

**Report of the Committee on Agriculture, on the bill
to encourage the keeping of sheep, &c.**

The committee on agriculture, to whom was referred "A bill to encourage the keeping of sheep, and the domestic manufacture of cloth," report :

That they have had the same under consideration for a length of time, only justified by the importance of the subject, and an anxious solicitude, if possible, and consistent with the present condition of the state, to recommend its favorable reception by the senate, or the adoption of a measure of similar encouragement to the wool grower and the manufacturer.

The first section proposes a premium, to be paid out of the treasury of the state, of one shilling per head, to any resident who keeps sheep, amounting to fifty in number; and also, a premium of twenty-five cents per yard on all full cloth spun and wove in the same family and same house; and also, twelve and a half cents per yard, on all flannel made wholly of wool,

and six cents per yard on all linen cloth spun and wove in the same family.

This first section discloses the object and tendency of the bill; the remaining sections are designed to carry out the benevolent intention avowed in the title.

The encouragement of home industry by the fostering care of government, is a duty of the first magnitude; and more especially does it appear to your committee, that such obligation is imperative on the part of government situated as are the republican institutions of the United States.

Our country, in boasting of political independence, should ever be placed by wise legislation, co-operating with individual patriotism, on independent grounds in all her relations.

The subject of encouraging domestic manufactures by national restrictions upon commerce, has been the fertile theme of discussion in the national legislature, and it may be that the policy of the federal government is now settled. With that policy state legislation cannot interfere beyond the force of public opinion, brought to bear upon those who represent the state in the national councils. But the measure proposed in the bill is calculated to operate beneficially, and is within the constitutional powers of a sovereign state.

No state can be truly independent that looks to foreign aid for the supply of its market in the necessaries of life. In a moment of trying difficulty, such as war, or the angry negotiations which usually precede that calamity, the supply would be cut off, and when too late, the dependent nation would be cast upon its own resources. The simple article of clothing illustrates the foregoing observation, especially as applicable to the United States. With skill and science sufficient, with every agricultural advantage, and with every means to manufacture the raw material, yet the great majority of the citizens of the United States are dependent upon foreign industry for the cloth of their coats, and the very linen which covers them. Should war burst suddenly upon us—an event not improbable; an event which the combinations of thrones against the sovereignty of the people seems to be hastening—on what source is the army of defence to depend for the necessary supply of clothing? The natural enemy of the United States commands the ocean, and could, by her powerful navy, blockade our whole sea coast, and cut us off from a supply through a foreign channel.

But independent of these considerations, American pride and American patriotism, should prompt American citizens to the mutual encouragement of each other in the honest pursuits of life. One dollar expended among ourselves, in the purchase of any article of necessity, is far more economical even in the

citizen who expends it, than the outlay of fifty cents for the same kind of article, the produce of foreign capital and labor. A republic is but a great neighborhood, all the citizens of which, are naturally interested in sustaining each other. This principle seems clearly manifested in the present embarrassed condition of the monetary affairs of our citizens generally. By an examination of the reports made to congress for the last eight years, it is ascertained, that the imports of the nation, have exceeded the exports by ten millions annually. Our country during the same period, has been inundated with foreign merchandize, the greater portion of which, could have been dispensed with, was never needed, and served but to pamper pride, and to nourish an apery of foreign folly and foppery, enervating to the hardy manners of the sires of the revolution. This excess of imports amounts to an annual debt, which must be paid by the withdrawal of the same amount in gold or silver coin; the paper issues of our sound banking institutions, not being current as money in foreign countries. The greater this abstraction, the greater the pressure upon the money market, and consequently the more general the depression of business of every description. Hence, arises the fact, that it is more economical to buy at home at a higher rate in price, than to go abroad in search of cheapness.

Every consideration, therefore, would induce your committee to recommend the measure proposed, could they be satisfied that the condition of the tax payers at this period, would justify its adoption before the circumstances of the country were ameliorated. As it is, however, the committee report the bill back to the senate, with the recommendation that it be laid upon the table, and be recommended to the early attention of the next legislature.

All of which is respectfully submitted.

JACOB SUMMERS,
Chairman.

[No. 61.]

Report of the Select Committee on Public Improvements, &c.

The select committee to whom were referred the following preamble and resolution, to wit:

"Whereas, in all wisely administered governments, one of the first objects for consideration is, to make suitable provisions for the payment of the public expenses, and to keep inviolate the plighted faith of the state in all its engagements: And

whereas, this important and primary object appears to have been heretofore in a great measure overlooked, forgotten or disregarded in our own state: *And whereas*, the period is drawing nigh, in which the state loan of five millions of dollars for the purposes of internal improvement will have been expended: *And whereas*, no provision has been made for the payment of the interest or any considerable portion thereof, after the principal shall have been expended, unless it is contemplated to levy a direct tax upon the people of the state for that purpose: *And whereas*, such a tax would be ruinous to the prosperity and interests of the state and oppressive beyond the ability of the people to bear; therefore,

Resolved, That a committee of three be appointed to inquire and report to the senate what means are at the disposal of, or within the control of the legislature of this state together with such a plan for the application or disposal of said means as may seem best adapted to the purpose of producing a revenue to discharge the interest of said loan, and avert the evil of a resort to direct taxation for the purpose of paying said interest; and also a general system of finance and revenue that will place the operations of the treasury, as far as possible, beyond the recurrence of the unpleasant contingencies to which it has hitherto been liable, and that said committee have leave to report by bill or otherwise," report:

That having had the same under consideration, your committee find, upon inquiry, that the only means belonging to this state, and subject to the control of the legislature, except such as are pledged for literary or other specific purposes, consists of the balance due on the five million loan, amounting, as per statement obtained from the treasurer and auditor general, exclusive of interest, to \$2,510,000, and payable in quarter yearly instalments of \$250,000, commencing on the first day of April next. Of this sum, the amount anticipated by the state, and now due to its creditors, for labor and materials, for and on account of the public works, and interest on other state bonds, is estimated at about \$670,000, leaving due and at the disposal of the legislature, but a fraction, if any, over \$1,800,000, the last instalment of which falls due on the 1st January, 1843.

As this fund is pledged for the purposes of internal improvement, and as the income to be derived from our public works is the only means of raising a revenue to meet the interest on the "loan," therefore, your committee, in discharge of the duty enjoined in the second branch of the resolution under consideration, deem it proper to take a cursory view of our system of "internal improvement;" the principle on which it was commenced; the manner of its prosecution thus far; the consequences that must follow from a perseverance in the course hitherto

pursued, and the plan which, in their judgment, is best calculated to avert the calamity that threatens us, place the credit of the state on the best possible footing, and relieve the people from ruinous taxation.

Our system of internal improvement embraces the following works, viz;

| | Length, miles. | Estimated cost. | Am't expended. |
|---|-------------------|-----------------|-----------------------|
| Southern railroad, | 178 | \$1,509,645 85 | \$475,541 96 |
| Havre branch railroad, | 12 | 82,043 00 | 910 63 |
| Central railroad, | 187 | 1,726,103 58 | 757,063 10 |
| Northern railroad, | 200 | 1,409,015 75 | 60,120 78 |
| Saginaw canal, | 33 | 328,391 15 | 22,256 81 |
| Clinton & Kal'zoo canal, | 218 | 4,011 814 65 | 109,650 88 |
| Sault de Ste Marie canal | 2 | 112,544 80 | 2,952 93 |
| Canal around the rapids of Grand river, | | | 130 53 |
| In addition to the above, there has been expended on Grand and Maple rivers, the sum of | | \$21,003 62 | |
| Kalamazoo river, | | 5,086 93 | |
| Salt springs, | | 18,000 00 | |
| For surveys and instruments, | | 37,596 92 | |
| | | | 81,687 47 |
| | | | <u>\$1,510,315 29</u> |

The total amount appropriated by law to the completion of the above works is \$2,118,000 00, which leaves the balance of appropriations unexpended \$607,684 71.

From the foregoing view, it will be perceived that the plan of operating has been to proceed simultaneously or as nearly so as practicable, with each branch or subdivision of the system. It will also be seen that the estimated cost of the whole work, is about \$10,000,000 00, which estimate, judging from the experience of the past, is about one half of the actual cost. From this view of the case, the first question that presents itself for consideration is, *can the state finish what it has undertaken?* The next question is, would this work, in the aggregate, be of any immediate use to the state if completed? Without going into detail, or any calculation from figures, we answer these questions most emphatically in the negative.

Although by the report of the commissioners, which we have copied above, only \$1,510,315 29, has been expended on this entire system, there is but a fraction over \$1,800 000 of the five million loan remaining to be applied to the completion of the public works; and the sum total of profits received by

the state from the whole investment the last year, is \$26,798 66. (See commissioners report, vol. i, page 644.)

If we then proceed to invest the remaining balance of \$1,800,000 00, as we have disposed of the first portion of it, what, we ask, must be the condition of the state when the whole five million loan shall have been expended? Must not every friend of the state shudder at the view of our condition here presented?

To sustain the credit of the state under such circumstances would be impossible. Even if money was abundant, the character we should have acquired by our wasteful and improvident use of it, would utterly destroy the credit of our state bonds.

We could not, nay, we ought not to expect relief from a new loan. To tax the industry of the state to the extent required to pay the interest, and support our credit, would be useless, for it could not support it. This is not a picture of imagination or fancy, and your committee regret to say, that facts and figures show but too clearly, that if we persevere the year to come, in the course we have pursued the two years past, the consequences we have endeavored to prevent, must, and will be upon us. Your committee think it useless to dwell upon this part of the subject, believing it to be obvious to every one that has given it the slightest attention, that we must abandon our present policy, and that *immediately*, or the state must be involved in irretrievable disgrace and ruin. From the most favorable view your committee can take of the case, should we proceed to apply the balance of the loan upon the present system, we could not calculate after the whole sum is invested, upon a revenue to exceed fifty thousand dollars per annum, which would leave us no remedy but taxation, to meet a yearly interest debt of \$250,000, in addition to ordinary expenses of the government. The greater part of our public works must be abandoned in an unfinished state, and suffered to go to decay, leaving our state no other prospect than that of becoming the durable jest of mankind, and our citizens no hope but that of falling victims to our own unwise and improvident system of legislation. But your committee believe it is not yet too late to save the state from the ruin consequent upon a perseverance in the course heretofore pursued. This, however, can only be done by an absolute and unconditional abandonment of the plan of legislating with a view to local or sectional interests.

The policy that has hitherto prevailed in our state legislature upon this subject, seems to have been founded upon the erroneous supposition that the citizens of the state, as individuals, had no interest or concern in the preservation of our state credit; and that so long as we could borrow money on

state bonds, it was a matter of no consequence to us as individuals, how it was expended; and to such an extent has this unwarrantable view of the matter been carried and practiced upon, that less than half the amount expended has found its way to our public works, and that moiety has been so applied as to be of little value to the public, in proof of which, the following statement is annexed:

| | |
|--|----------------------------|
| Amount received from the five million loan to January 1, 1840. (<i>See treasurer's statement, vol. i, page 373, of auditor general's report.</i>) | \$2,250,000 00 |
| Amount anticipated, and now due by the state to contractors and others, estimated at | 750,000 00 |
| Dividends of the United States surplus revenue, | 286,751 49 |
| Five per cent on sale of public lands, | 156,794 96 |
| Making, | <hr/> \$3,443,546 45 |
| Of this sum, the commissioners report as applied to the purpose of internal improvements, | \$1,510,315 29 |
| To which may be added the amount due to contractors above named, | 750,000 00 |
| Making the whole amount expended, | 2,260,315 29 |
| Which deducted from the whole amount received, leaves a deficit of, | <hr/> <hr/> \$1,183,231 16 |

About \$200,000 00 of which has been transferred to the general fund of the state, and the balance either lost or so disposed of as to be unavailable.

However desirous your committee might be to pass over the state of facts here presented, the crisis at which we have arrived in our financial affairs, and the duty imposed by the important matters referred, demand at their hands, an undisguised statement of facts, exhibiting at one view the pernicious effects of the course hitherto pursued, the destructive consequences of an obstinate perseverance in that course, and the absolute necessity of an immediate and radical change. Your committee has stated, as its belief, that unpromising as our condition seems to be, it is yet in the power of the legislature to save the state from the evils with which it is threatened; and in discharge of the duty assigned them, your committee suggest what seems to be the only practical remedy within our reach. This is the application of the remaining funds to be derived from the five million loan, to the completion of such portion of the public works as will be most productive and beneficial to the state.

The estimated amount required to complete the central railroad to the mouth of the St. Joseph river, is \$1,287,663 50, which at the present reduced prices of labor and provisions is, in the opinion of your committee, a sum adequate to the work. But desirous of placing the calculation on ground entirely safe, we add, to the engineer's estimate, twenty per cent, making the sum required to complete said road, \$1,545,194. Assuming the balance due on state loan to be \$1,800,000 00, after paying the floating claims now against the treasury, and providing for the payment of interest on the loan up to 1st of January, 1843, there would remain \$208,806 00, to which would be added the accruing profits upon the road, which your committee estimate, for the same period, at \$200,000 00. A considerable portion of this sum would be necessary for the purchase of engines, cars, &c.

Your committee have taken considerable pains to ascertain, as nearly as possible, the probable receipts of said road, when completed, and they present the following statement, predicated upon the actual business of last year. The average receipts of the thirty miles of the road, completed to Ypsilanti, for the last two years that it has been in use, may be put down at \$30,000 per year.

This route is somewhat less than one sixth part of the whole line from Detroit to St. Joseph, and allowing each thirty miles to be alike productive when finished, the receipts of the whole would be, per year, \$480,000 00

The number of steamboats that left Detroit during the last season of navigation, for Chicago, was ninety-three, carrying from 30 to 300 passengers, making an average of 82 passengers each day for six months, at a rate of fare averaging twelve dollars each. Supposing the central railroad to be completed, and the travel not to increase, your committee think it abundantly safe to estimate that fifty passengers per day would cross the peninsula each way on the railroad, who would otherwise take passage as heretofore in steamboats. The route would be performed in twelve hours, at an expense to each passenger, for fare, of \$10, making \$90,000 each way, or a total of 180,000 00

The produce of the interior that would go to market by this road, is estimated by different individuals from three to five hundred thousand barrels. If we say that it would be equal to 350,000 barrels, at 50 cents per barrel, the amount is 175,000 00

Carried forward,

\$

Brought forward,
 Making the total receipts of the road, estimated
 from the business of last year, **\$885,000 00**

Besides these items, nearly the whole amount
 of merchandise destined to the western part of
 this state would be transported on this road,
 which your committee believe would considera-
 bly enlarge the above estimate of receipts, but
 which they do not include in this estimate.

For the expense of running the cars and ma-
 king repairs, they deduct \$1,000 per day, or
 nearly that sum, a much larger allowance, as
 your committee are informed, than the like items
 cost on most of the roads in the United States, **885,000 00**

Which leaves the sum of **\$500,000 00**

as the profits accruing to the state, and applicable to the
 payment of interest and principal of the state debt.

The probable cost of completing the southern railroad, esti-
 mated by the rule that has governed your committee in rela-
 tion to the central railroad, would be nearly the same.

The whole estimated cost is **\$1,500,645 85**

The amount expended, **475,541 96**

Estimated amount necessary to finish the
 road, **\$1,024,103 89**

Add 20 per cent, **206,820 00**

supposed amount required to complete said
 road, **\$1,240,923 89**

being less than the sum required to finish the central railroad
 by \$304,271 00.

Of the probable receipts of the southern road, if completed,
 your committee have not the means of forming an opinion suf-
 ficiently accurate to be made the basis of any calculation. But,
 governed by what they understand to be the prevailing, if not
 the universal, opinion of business men, and their own know-
 ledge of its eastern termination, and also its proximity to the
 southern boundary of the state, they are decidedly of the
 opinion that, viewed either as an accommodation to our citizens
 generally, or as a source of profit to the state, it could not,
 with any degree of justice or fairness, be brought into compe-
 tition with, or claim the preference as a work of public utility
 and profit, to the central road. And believing that the legis-
 lature will feel bound by a just regard to their own interests
 and the interest and character of the state, to make an imme-

diate selection of the work that shall take precedence, your committee unhesitatingly recommend this course as the only means of maintaining the credit of the state, and saving our citizens from oppressive and ruinous taxation. It is no longer a matter of doubt that the means and ability of the state are inadequate to the completion of more than one line of the roads commenced; and to distribute those means among the several works now under way, so that none of them can be completed or rendered productive, is little better than a wanton waste of the public money, and a willful destruction of the credit of the state, and the hopes and prospects of every honest and industrious citizen within our borders. If we faithfully apply the remnant of the loan to the completion of the central railroad, there is fair and reasonable ground to presume it will save us; if we do not, we rush understandingly into the vortex of destruction.

In performance of the duty required by the third branch of the resolution, your committee have only to remark that there are no means belonging to the state except what have been noticed, and that are specifically pledged; and that the only means aside from those already mentioned, by which the credit of the treasury can be sustained, are to be derived from a direct tax.

All of which is respectfully submitted.

J. M. EDMUNDS, *Chairman.*

[No. 62.]

Report of the Committee on the Judiciary, relative to allowing the claim of Cyrus Howard, for the apprehension, &c., of the person who set fire to the railroad bridge over the River Rouge.

The committee on the judiciary to whom was referred the proclamation of the lieutenant governor, offering a reward for the apprehension and conviction of the person who set fire to the bridge over the river Rouge, and the affidavit of Samuel Phillips, together with the special message from the governor, connected therewith, have had the papers committed to their charge, under consideration, and report: that after having perused the whole of the papers committed to them, the committee were unable to perceive, except from a slight remark in the special message of the governor, that Cyrus Howard was an applicant for the reward offered in the proclamation of the late lieutenant governor.

The policy of the laws authorizing executive officers to offer rewards for the apprehension and conviction of those who may have committed crimes and misdemeanors cannot be deemed other than good by the committee. It stimulates, often, ministerial officers to additional vigilance in the ferretting out and apprehending of villains who would otherwise pass unpunished.

It was intended, more generally, to act upon accessories; to superinduce those who may have become acquainted with the commission of crimes, and not under the particular obligations of the law, to come forward and disclose the fact, by which means the villain is often brought to condign punishment, and thereby society saved from further aggression. But the committee cannot conceive that it would be a sound and wise policy to pay rewards of this nature to judicial officers, especially a class of officers whose duty it is to disclose voluntarily all infraction of the law which may come to their knowledge—a class of officers which would themselves commit a misdemeanor by not disclosing every infraction of law which might be made known to them.

A few facts incident to the apprehension and conviction of Nelson Cochrane, for burning the bridge over the river Rouge, known to the committee, may serve to give a better understanding of the case.

A person by the name of Grout was arrested for the burning of said bridge upon the complaint of Nelson Cochrane, and committed to prison. This Grout was one of Cochrane's accessories after the fact, and had given his word not to expose Cochrane; nor did he until Cochrane foully charged Grout with the crime, and he was, by means of Cochrane's testimony, thrown into prison, then Grout disclosed the facts which led to the indictment and conviction of Cochrane.

Cyrus Howard was one of the judges of the court before whom Cochrane was tried and convicted; and whatever may be said generally in favor of rewarding those who are instrumental in ferreting out rogues and villains, yet the committee cannot but deprecate the policy of any law or custom which would authorize or sanction the rewarding of a judge for the conviction of a person who may be tried before him.

The administration of our laws, especially our criminal laws, should be such that the breath of suspicion could not rest thereon. How long would it remain free from the charge of corruption if the judges are to receive a reward for, and upon the conviction of criminals who may be tried before them? The committee cannot entertain the idea for one moment, that Cyrus Howard ought to have the reward spoken of. Justice forbids it. The dignity of the bench of which judge Howard

constitutes a part, imperatively demands that it should not be done.

All which is respectfully submitted.

THOMAS J. DRAKE,
Chairman.

[No. 63.]

Report of the Select Committee on the five million loan; and internal improvement fund.

The select committee appointed in pursuance of a resolution, adopted in senate, March 23, 1840, in the words following:

Resolved, That a select committee of three be appointed to inquire and report to the senate, what means are at the disposal and control of the legislature for the purposes of internal improvement, together with a plan for the application of said means, best adapted to produce a revenue to meet the interest on the loan made for purposes of internal improvement; said committee to consist of one member from the southern tier of counties, and two from districts north of the base line, with leave to report by bill or otherwise," report :

That from the late period in the session, when the committee was raised, and the near prospect of the necessity of immediate action on the subject of appropriations upon the works of internal improvement, by the senate, as also by the other branch of the legislature, your committee have deemed themselves necessarily confined to an exhibition of the result of their inquiries on the topic embraced in the first part of the resolution, in as brief and condensed a form as possible; and upon the second branch of the resolution, it could not be expected, even if it were desirable, that any thing but a few very brief suggestions should be submitted.

The committee having seen no satisfactory statement on the subject of the disposition of the moneys hitherto received on account of the five million loan, and of the other means placed to the credit of the internal improvement fund, took considerable pains to trace accurately from the reports of the state treasurer and auditor general, for the last three years, the amount placed to the credit of said fund, and how it had been disposed of. The result of the investigation will be found in the accompanying statement, (marked A,) which will show that only about four thousand dollars of said fund remains unexpended, or unaccounted for, and by traveling beyond the books of the auditor general, even that sum might undoubtedly be easily ac-

counted for. The result being arrived at from sources authentic, and the correctness of which will not be disputed, and accessible to every one, your committee cannot but express some surprise at the allegation in the report, printed as senate document number forty-six, that over \$900,000 00 of the internal improvement fund, had been "either lost or so disposed of as to be unavailable." It is true that over \$400,000 00 placed by the commissioners of internal improvement, by direction of a former legislature, in the Michigan state bank, are at present unavailable; but as the officers of that institution, in their answer to a bill in chancery filed against them, have affirmed under oath, that though at present unable to meet all their immediate liabilities, they are ultimately solvent, and with a little delay, (which will undoubtedly be granted to them by the commissioners authorized to settle with them,) they will be able to pay in full, all their debts. A little more research and investigation would have shown that no portion of that fund, certainly none of any amount, and none at all yet discovered, has been lost; and also, that neither had any portion of it, in all probability, been so disposed of as to be unavailable ultimately. That probably would not, however, have so well served to convey the impressions evidently implied, if not intended to be made through the phraseology of that clause of the report.

The committee made that inquiry, only as incidental to, and connected with the more immediate subject matters of the first branch of the resolution, viz: the means yet at the disposal and control of the legislature for works of internal improvement, and to that inquiry they now proceed. And it may be properly premised here, that, as the legislature of the state has not hitherto applied any other revenues, than the incomes from the public works, to the creation of a sinking fund for the payment of the interest on the state loans, and the redemption of the principal, and does not yet seem disposed to follow any other course than that hitherto pursued, of paying the interest on the five million loan out of the principal of the loan itself; the total amount of interest payable on the loan, up to and including the time of payment of the last instalment in January, 1843, less the amount receivable during the same period has been deducted from the amount of principal of the loan yet due. It is to be hoped, however, that as more of our public works are completed and put into operation, the revenue from them will become more nearly adequate to meet the amounts drawn from the internal improvement fund for the payment of interest.

There is due, after January, 1840, on the principal of the five million loan, (including \$65,000 of the Tecumseh and Ypsilanti railroad stock, and Allegan and Marshall railroad stock,

| | |
|--|---------------------|
| amounting to \$100,000 each, negotiated with the five million loan, the sum of | \$2,950,000 00 |
| Which, with the amount of principal already received, | 2,250,000 00 |
| makes up the five million loan and the above stocks, | <u>5,200,000 00</u> |

| | |
|--|-----------------------|
| The balance of the loan is due as follows: | |
| In April, July and October, 1840, three instalments of \$250,000 each, | \$750,000 00 |
| In January, April, July and October, 1841, four do do | 1,000,000 00 |
| In January, April, July and October, 1842, four do do | 1,000,000 00 |
| In January 1843, | 200,000 00 |
| | <u>\$2,950,000 00</u> |

| | |
|--|--------------|
| The interest payable on the five million loan from July, 1840, to January, 1843, both inclusive, will be | \$900,000 00 |
|--|--------------|

| | |
|--|-------------------|
| The interest to be received on instalments as they fall due, from April 1840, to January, 1843, inclusive, will be | <u>400,500 00</u> |
|--|-------------------|

| | |
|---|-------------------|
| Leaving interest payable, over interest to be received, | <u>439,500 00</u> |
|---|-------------------|

| | |
|---|-----------------------|
| Which will leave available out of the five million loan, the sum of | <u>\$2,510,500 00</u> |
|---|-----------------------|

And as the excess of interest payable, over interest receivable, until the instalments on the five million loan are all paid up, has been deducted from the principal remaining due, the entire income of the sinking fund, consisting of the net receipts on the public works, up to the same period, (except a few thousand dollars for interest on other state stocks,) must be considered as belonging to the internal improvement fund, and applicable to the works of internal improvement. The total charge of the internal improvement fund against the sinking fund, when the five million loan shall have been paid up in January, 1843, will be 752,570; of which sum, \$313,070 has been paid out of the principal heretofore received, and the remainder, being \$439,500, as above stated, has been deducted from the principal due on and after April 1, 1840.

As a small portion of the eastern termination of the central

state, should be undertaken or fostered by the aid of the means of the state, the railroad from Detroit to Pontiac is only one that presents itself as being likely to prove at the same time beneficial to that portion of the country into which it runs, and to yield a fair revenue in proportion to its cost. The state has already loaned to that company one hundred thousand dollars, for the non-payment of the interest on which, owing to the embarrassments of the company, the road is now subject to sale. From the experience of the past year, when, under many disadvantageous circumstances, the road has yielded about eight per cent, or more, upon its cost, there seems little reason to doubt, that, if completed to Pontiac, and judiciously managed, it would yield a fair revenue. With these claims, and under present circumstances, your committee cannot well help coming to the conclusion, that it would be proper policy to assume and finish, and take charge of it as a state work.

In relation to the central and southern railroads, if it be urged that one only can or ought to be carried through at the present time, when we look at the comparative cheapness of the southern over the central railroad, and the fact, that the southern railroad, in its course from Niles to its termination at New Buffalo, is in a proper course to carry around lake Michigan, through Indiana, at certain seasons of the year, all the travel for Illinois, Missouri, Wisconsin, Iowa and other portions of the west, instead of terminating abruptly on lake Michigan, as the central railroad must do at the mouth of the St. Joseph river, it may well be considered questionable which should have the preference, or which would most benefit the state and be most productive. The warmest advocates of the central railroad will admit that the southern railroad could be completed for over \$300,000 less than the central railroad; and judging from the comparative cost of the two roads so far as they are nearly finished, the difference would be vastly more—would be a million, if not more, in favor of the southern railroad. The difference would, at all events, be more than sufficient to construct a connecting link from the central railroad either from Jackson, by Concord or Homer to Coldwater or Branch, or from Ypsilanti, by Tecumseh, Clinton or Manchester, to some point on the southern railroad. And should it be deemed advisable not to continue them both entirely across the state, there ought to be some connecting link from the one to the other; or some middle route between the two should be adopted. Passengers or goods, starting for the west, from the termination of either railroad, ought to be enabled to continue on, by railroad, across the state; and those starting from the west for the east, ought to have the privilege of proceeding, without interruption in the mode of conveyance, to the eastern termination of either road. Without some such connection be-

between them, should one line only be completed across the state, a great share of the benefit, and of the profits of both roads, would necessarily be lost; and the one stopped short in the middle, would be rendered comparatively valueless and unproductive. To those acquainted with the immense travel constantly going on round lake Michigan, to and from the west, it would need but little argument to convince them, that the central railroad, by diverging down towards the line of the southern railroad at Niles, and thence towards the southern extreme of lake Michigan, would be more likely to receive a greater portion of travel than if it terminated at St. Joseph. And for all useful purposes, in regard to the transportation of goods or carrying of produce to market, it might about as well terminate at Niles, as be extended to lake Michigan. By adopting this course too, if it should hereafter be found necessary or advisable, the road might terminate for a time at that point, with a saving of twenty-five miles in distance, and an additional saving of \$200,000 00 in the expense of construction; and from this point, if continued round lake Michigan, as in process of time it ought to be, and undoubtedly will be, it would be in the natural and direct line of travel from the west to the east, either through Detroit, Monroe or Toledo. Many other reasons might be urged in favor of such a course, and objections that will undoubtedly be presented against a deviation from the present line of location of the central railroad, might be met and answered. We would only, however, here allude to the fact that when the Detroit and St. Joseph railroad was the only one projected and surveyed across the peninsula, even when it was proposed to terminate it at the mouth of the St. Joseph, the line of location in its western half, at least, was far south of the present located line, running through or near Prairie Ronde, and across or near the north line of Cass county.

The question, however, of the location of the central railroad beyond Jackson, or of the southern railroad beyond Hillsdale or Jonesville, may be considered as one, which this legislature ought not and need not be called upon to settle; for, on the most favorable supposition, there cannot be appropriated up to and including the April instalment of next year, more than about half a million beyond the present contracts, and certainly not more on those two roads than sufficient to finish the one to Jonesville, and the other to Jackson. Rumors, too, are afloat of the failure of the Morris canal and banking company, and of a consequent loss to this state for the present of one-fourth of the balance of the five million loan; the United States bank, too, which holds the other three-fourths, is not without some shadow of suspicion being thrown over its ultimate solvency. To these rumors and suspicions, each member of either house must give what force and effect he may

deem most advisable and prudent, in legislating on the subject of further appropriations on our public works.

With these few and brief allusions to the views taken upon the matters referred to your committee, and the results of their investigation into the condition of the five million loan, and the prospective situation of the internal improvement fund, this report, with a few accompanying statements explanatory of some of the results obtained by the committee, is respectfully submitted.

JOHN J. ADAM,
Chairman Select Committee.

(A.)

Receipts and disbursements on account of Internal Improvement fund, to the present time.

| | |
|---|----------------|
| Amount of principal received to January 1, 1840, inclusive, | \$2,250,000 00 |
| Deduct amount interest paid to same date, | 846,820 00 |
| | <hr/> |
| | \$1,903,180 00 |
| Add amount of interest on instalments as they fall due, received by the state to same date, | 88,750 00 |
| | <hr/> |
| Net amount from five million loan, | 1,986,830 00 |
| United States surplus revenue, loaned to internal improvement fund, | 286,751 49 |
| Five per cent fund, | 156,794 96 |
| Transferred from general fund, | 7,224 84 |
| do sinking fund, | 82,144 21 |
| | <hr/> |
| | \$2,364,645 50 |
| From which there is to be deducted as follows: | |
| Transferred to general fund, | \$190,000 00 |
| do to Ypsilanti and Tecumseh railroad fund, | 75,000 00 |
| do to Allegan and Marshall railroad fund, | 60,000 00 |
| | <hr/> |
| | 325,000 00 |
| | <hr/> |
| | \$2,144,645 50 |
| Amount at present unavailable, deposited in Michigan state bank, | 487,432 96 |
| | <hr/> |
| | \$1,707,212 54 |
| | <hr/> |
| Carried forward, | |

| | | |
|--|--------------|----------------|
| Brought forward, | | |
| Morris canal company's com- mission of 2½ per cent, on \$5,000,000, | \$125,000 00 | |
| Expenses of negotiation, | 11,924 00 | |
| | <hr/> | 136,924 00 |
| | | <hr/> |
| | | \$1,570,288 54 |
| Deduct also amount paid Morris canal company, for interest, on advances, (treasurer's re- port for 1839, vol. i, p. 585,) | 1,382 55 | |
| do do | 52,000 00 | |
| | <hr/> | |
| | 53,382 55 | |
| do paid to convert time drafts into cash funds, | 2,110 69 | |
| | <hr/> | 55,443 24 |
| | | <hr/> |
| | | 1,514,845 80 |
| *Amount expended on works of internal im- provements, | | 1,510,310 29 |
| | | <hr/> |
| Leaving balance unexpended, in hands of com- missioners, &c., | | \$4,530 01 |
| | | <hr/> |

* See annual report of board of internal improvement, and senate Doc. No. 46.

(B.)

Appropriations from Internal Improvement fund.

Appropriations by act March 20, 1837:

| | | |
|------------------------|--------------|--------------|
| Central railroad, | \$400,000 00 | |
| Southern do | 100,000 00 | |
| Northern do | 50,000 00 | |
| Clinton canal, | 40,000 00 | |
| Saginaw do | 15,000 00 | |
| Havre branch railroad, | 20,000 00 | |
| | <hr/> | \$625,000 00 |

| | | |
|---|-----------|--|
| For surveys of canals, rivers, pur- chase of instruments, &c., | 20,000 00 | |
|---|-----------|--|

| | | |
|-----------------------------|-------|--------------|
| Total appropriations, 1837, | <hr/> | \$645,000 00 |
|-----------------------------|-------|--------------|

Appropriations by act March 24, 1838:

| | | |
|---|------------|--|
| For improvement of state salt springs, | \$3,000 00 | |
| | <hr/> | |

Carried forward,

Brought forward,
Appropriations by act March,
31, 1838:

| | | |
|-----------------------|--------------|--------------|
| Central railroad, | \$850,000 00 | |
| Southern do | 350,000 00 | |
| Northern do | 60,000 00 | |
| Clinton canal, | 205,000 00 | |
| Saginaw canal, | 47,000 00 | |
| Grand & Maple rivers, | 30,000 00 | |
| Kalamazoo river, | 8,000 00 | |
| | <hr/> | 1,050,000 00 |

Appropriation by act of
April 5, 1838:

| | | |
|---------------------------|-----------|--|
| Sault de Ste Marie canal, | 25,000 00 | |
|---------------------------|-----------|--|

| | | |
|-----------------------------|-------|--------------|
| Total appropriations, 1838, | <hr/> | 1,078,000 00 |
|-----------------------------|-------|--------------|

Appropriation for improvement of state
salt springs, by act Jan. 28, 1839, \$15,000 00

Appropriations by act April,
20, 1839:

| | | |
|---------------------|--------------|--------------|
| Central railroad, | \$100,000 00 | |
| Southern do | 100,000 00 | |
| Northern do | 40,000 00 | |
| Clinton canal, | 60,000 00 | |
| Grand Rapids canal, | 25,000 00 | |
| St. Joseph river, | 25,000 00 | |
| | <hr/> | \$350,000 00 |

| | | |
|-----------------------------|-------|--------------|
| Total appropriations, 1839, | <hr/> | \$365,000 00 |
|-----------------------------|-------|--------------|

| | | |
|--------------------|-------|-----------------------|
| Total, up to 1840, | <hr/> | <u>\$2,088,000 00</u> |
|--------------------|-------|-----------------------|

Appropriations on the several works of Internal Improvement.

| | | |
|---------------------------|--------------|----------------|
| Central railroad, | \$850,000 00 | |
| Southern do | 550,000 00 | |
| Northern do | 150,000 00 | |
| Clinton canal, | 305,000 00 | |
| Saginaw canal, | 62,000 00 | |
| Havre branch railroad, | 20,000 00 | |
| Grand and Maple rivers, | 30,000 00 | |
| Grand Rapids canal, | 25,000 00 | |
| Kalamazoo river, | 8,000 00 | |
| St. Joseph do | 25,000 00 | |
| Sault de Ste Marie canal, | 25,000 00 | |
| | <hr/> | \$2,050,000 00 |

| | | |
|--------------------------------|-----------|--|
| For surveys, instruments, &c., | 20,000 00 | |
|--------------------------------|-----------|--|

| | | |
|----------------------------------|-----------|--|
| For improvement of salt springs, | 18,000 00 | |
|----------------------------------|-----------|--|

| | |
|-------|-----------------------|
| <hr/> | <u>\$2,088,000 00</u> |
|-------|-----------------------|

(C.)

Outstanding contracts on central railroad:

| | | | |
|--|------------------------------|-------------|------------------|
| Jan. 1, 1840, | | \$84 714 66 | |
| do | Southern, | 110,059 29 | |
| do | Northern, | 15,286 00 | |
| do | Saginaw canal, | 30,893 52 | |
| do | Clinton and Kalamazoo canal, | 180,180 79 | |
| do | Grand and Maple rivers, | \$1,208 59 | |
| do | Kalamazoo river, | 850 00 | |
| | | <hr/> | \$423,192 85 |
| Amount due January 31, on portions of above performed and percentage retained, | | 49,767 42 | |
| Amount since paid on the above, | | 15,874 18 | |
| | | <hr/> | |
| Present amount due to contractors, | | | <u>33,893 24</u> |

(D.)

| | | |
|---|--------------|---------------------|
| Southern railroad, first division, Monroe to Adrian, work performed, | \$240,852 01 | |
| To be performed, | 4,596 03 | |
| | <hr/> | |
| Total cost, | | \$245,448 04 |
| Second division, from Adrian to Hillsdale, work performed, | 155,560 40 | |
| To be performed, | 105,468 26 | |
| | <hr/> | |
| Total cost, | | <u>261,028 66</u> |
| Ascertained and estimated total cost of construction for 67 miles, | | <u>506,471 70</u> |
| Central railroad, amount expended, principally on 40 miles from Detroit to Ann Arbor, | | <u>\$757,068 10</u> |

[No. 64.]

Report of the Select Committee, upon the expediency of completing a part of the Clinton and Kalamazoo Canal.

The select committee appointed "to examine and report to the senate, upon the expediency of completing so much of the Clinton and Kalamazoo canal as is now under contract and partially constructed, and also as to the practicability of rendering such part, if completed, available and productive to the state, with leave to report by bill or otherwise," have had the subject submitted to them under consideration, and beg leave respectfully to make the following report:

In the consideration of the subject referred to them, your committee have been influenced principally by the following considerations:

1. The amount of the balance of the five million loan which can be relied upon for the further prosecution of our works of internal improvement.

2. The expenditure of that balance in such a manner as to be productive to the state.

3. To *redeem the faith of the state*, and do *equal justice to all* its citizens; so far as possible under existing circumstances. So far as the resources of our state will justify, there cannot at this day be any doubt, that nothing will more surely advance the best interest of the state, and promote and sustain the lasting prosperity of her citizens, than the speedy completion of such parts of our system of internal improvement as reasonably promise to combine most of the advantages naturally resulting from such works. And before taking into consideration that part of the subject more directly embraced in the inquiry submitted to them, your committee beg leave briefly to refer to the views which have heretofore been taken in regard to the comparative merits of railroads and canals, and also to the general character and importance of this particular work.

In a country where works of internal improvement are calculated mainly to facilitate the transportation of produce and merchandize, and not chiefly to expedite travel, it may be proper to observe that not only is it the opinion of the people generally, but by scientific men, and men whose greater experience and more extended information, have enabled them to form the most correct conclusions on this subject, it is confidently believed, that a decided preference should be given to canals. This conclusion is strongly corroborated in the reports of the board of commissioners of internal improvement of this state, and especially in the report of the state engineer on the Clinton and Kalamazoo canal, (Mr. Jarvis Hurd,) as will be

seen by reference to documents of house of representatives in 1838.

The true nature of the merits of this particular canal will be found mostly embraced in the official reports of the board, and of Jarvis Hurd, Esq., principal engineer on that work, as may be seen more in detail in document of house of representatives, 1838, pages 216, 516, 214, bound volume, and also in separate volume, marked document house representatives, 1838, number 47, at page 98. From which it appears that fewer obstructions were encountered than were anticipated; that this canal can be constructed at as reasonable an expenditure, taking the whole line together, as works of a similar nature in any other section of the Union; that the general surface of the country, and the soil over which this canal line passes, are more than ordinarily favorable to the construction of a canal; that the country along the route, to the east of Ingham county, is well settled, and along the residue of the route is rapidly settling; that the soil along the route is equal to any other in the state; and that the water power for driving mills, manufactories, &c., in the immediate vicinity of this canal line, which still remains unimproved (exclusive of the Kalamazoo river and of several small streams putting into the Clinton,) is equal to propelling more than *six hundred run of stone*. And to this should be added about 30 grist mills and 100 saw mills, then already in operation along the line of this canal, besides the other purposes to which water power was applied, as will be seen by reference to Blois' Gazetteer of 1838. The population of the counties of Macomb, Oakland, Livingston, Ingham, Eaton, Barry and Allegan, through the centre of which, this canal line passes, contained, in 1838, about 38,000 inhabitants, being then from one-fifth to one-fourth of the whole population of this state; and this tier of counties will, from the richness of its soil and superior natural advantages in other respects, in a very few years, equal, if they do not surpass, in population and wealth, any other tier of counties in this state.

These, with other facts and considerations which might be suggested, seem fully to justify the conclusion that this canal is at least *equal in importance with any* of the other works of internal improvement now commenced by this state. This canal, if finished now, from lake St. Clair to lake Michigan, would probably not produce, *immediately*, a revenue to the state so great in proportion to its cost as the central railroad; yet it is confidently believed that at no distant period it will not suffer by comparison even with that work, in all the benefits and advantages that will result to the citizens in the vicinity of the route, and to the state in general.

However, when we take into consideration the amount of the balance of the five million loan yet remaining available to

the state, as the only means of further prosecuting, at present, her works of internal improvement, and the necessity of so expending that balance so as to render it productive to the state, to prevent the forfeiture of our engagements and avert the necessity of a resort to direct taxation, it is evident that to attempt to carry on equally to their immediate final completion, *all* of the various works now commenced, would be both impolitic and impossible. Still, it is believed that under existing circumstances, there is no necessity for the purpose of attaining the great end in view, of committing a breach of faith towards our own citizens by withholding any considerable part of any of the appropriations already made upon our principal works.

As a general proposition, it would, doubtless, be true policy and economy on the part of the state, to complete, as soon as possible, such parts of the public works as are already partially constructed; at least, so far as already provided for by specific appropriations; as by so doing, there would be saved the amount of money already expended, besides the amount of damages which would be justly claimed by contractors for loss of materials on hand, anticipated profits, &c., (which damages alone would in many cases be sufficient to complete the unfinished parts of the work.) This would doubtless give us, to some extent, credit abroad, and insure confidence and stability at home; and would also give us the use and benefit of the works so far as completed, the proceeds of which would be replenishing the treasury, while the necessary expenses of superintending would be materially diminished.

A simple statement of facts in relation to this canal will, it is believed, satisfy the most sceptical on this subject, and the most strenuous advocates of economy, of the propriety of the course above recommended, so far as this work is concerned.

The amounts of appropriations made for the construction of the Clinton and Kalamazoo canal,

| | |
|--------------------------|-------------|
| are as follows: in 1837, | \$40,000 00 |
| in 1838, | 205,000 00 |
| in 1839, | 60,000 00 |

| | |
|---------|--------------|
| In all, | \$305,000 00 |
|---------|--------------|

| | |
|--|-------------|
| Expended in 1838, (See Doc. H. of Rep., 1839,) | \$21,981 57 |
|--|-------------|

| | |
|---|-----------|
| do. 1839, up to Nov. 30, (See Senate Doc. 4, 1840,) | 93,221 35 |
|---|-----------|

| | | |
|--|-------|--------------|
| | <hr/> | \$115,202 92 |
|--|-------|--------------|

| | | |
|---|--|--------------|
| Leaving an unexpended balance of appropriations Nov. 30, 1839, of | | \$189,797 08 |
|---|--|--------------|

| | | |
|------------------|--|----|
| Carried forward, | | \$ |
|------------------|--|----|

Brought forward,

The whole estimated expense, at the contract prices for the entire construction of the sixteen eastern sections of said canal, extending from Mt. Clemens, in Macomb county, to Rochester, in Oakland county, a distance of 16 miles, 64 rods, is

(See Senate Doc. 4, 1840,) \$253,919 80

Amount expended as above, up to Nov. 30, 1839, is

115,202 92

Left amount necessary to complete the same, Nov. 30, 1839,

\$138,716 88

138,716 88

This amount deducted from the unexpended balance, as above, leaves

\$51,080 20

From which, deduct the estimated expense of connecting said canal with lake St. Clair, from Mt. Clemens to Belvidere, by way of the Clinton river, according to the plan and survey of the same by Mr. Hurd, and according to the recommendation of the whole board of commissioners in their special report to the legislature in March, 1839, signed by E. H. Lathrop, Rix Robinson, James B. Hunt, Wm. A. Burt, L. B. Mizner, and L. S. Humphrey, (See Doc. of H. of Rep., 1839, pp. 664, 5 and 6,)

37,915 75

Still leaves to meet any extra contingency,

\$13,164 45

The above amount of \$115,202 92, has all been expended on the east part of the canal, along the line from Mt. Clemens to Rochester, a distance of something more than sixteen miles, embracing the sixteen eastern sections of the canal, each section of which is now partially constructed; and the whole distance requiring an expenditure of only \$138,716 88 for its entire completion, as it stood, Nov. 30, 1839. The amount of work done since that time is not known, but from the best information obtained, the amount now actually remaining to be done to complete this part of the canal, is probably something less than \$100,000, the whole of which is already provided for by the specific appropriations heretofore made for this work, as above stated; and leaving an excess after such completion, of sufficient amount to render this part of the canal available, useful and immediately productive to the state by forming the

desired and absolutely necessary connection between it and lake St. Clair, by way of the Clinton river, according to the plan and survey of the engineers, and the recommendation of the board of internal improvements, hereinbefore referred to, as contained on pages 664, 5 and 6, of Doc. House of Rep., for 1839.

Upon the supposition that this work should now be abandoned, the cost and consequent entire loss to the state, would be as follows, to wit:

| | |
|--|---------------------|
| Amount paid towards construction up to Nov. 30, 1839, | \$115,202 92 |
| Amount paid for surveys, &c., in addition, (See Doc. of H. of Rep., 1838, p. 149,) | 12,117 27 |
| Amount of work in addition probably done since Nov. 30, 1839, to this time, | 40,000 00 |
| Amount of materials on hand which will soon become unfit for the use intended, and rendered of little or no value, which, according to the estimate of A. Turner, engineer, (See Senate Doc. 4, 1840,) | 25,818 19 |
| To these add damages to contractors, estimated as at least twenty per cent on the amount of contracts now let, say, | 50,783 96 |
| Making the sum of | <u>\$243,922 34</u> |

Which must be entirely and unavoidably lost to the state in case this work should be abandoned in its present condition; without taking into the estimate the expense of settling up so complicated a mass of business, the cost of bridges or filling again parts of the present excavations, and all the other incidental disbursements, which would without doubt swell the gross amount of expenditures incident to an abandonment, to a sum considerably greater than the amount required for the entire completion of this part of the work.

Thus it will be seen, that this part of the canal, from Mt. Clemens to Rochester, a distance of sixteen miles and sixty-four rods, will cost, when entirely completed, \$253,919 80, being an average per mile of \$15,820; and that the whole distance from lake St. Clair, at Belvidere, to Rochester, a distance of twenty-one miles and a quarter, will, when entirely completed, cost \$291,835 55, being an average per mile of only \$13,733. That, under existing circumstances, it would cost the state as much, and probably more, to abandon the work, than to complete the part already commenced, and connect it with lake St. Clair, as before stated. That the entire abandonment of this part of this work, now, would not only result in a positive loss to the state, to an amount fully adequate to complete it

entire, but would be a plain violation of the *public faith towards our citizens more immediately interested in the work*, and an act of uncalled for injustice towards an important part of the tax payers of our state, by cutting them off from all participation in the benefits of those state works, towards the construction of which they are bound to contribute no inconsiderable part. On the other hand, while it will cost the state no more to *complete* than to *abandon* this part of the canal, its completion and connection with lake St. Clair, as recommended, will open a communication along the valley of the Clinton river, through the entire breadth of Macomb county, into Oakland county, through a country thickly inhabited, having at least twenty thousand inhabitants, who would participate in its immediate advantages, and having a soil not inferior to any other in the state, producing, even now, a heavy amount of surplus produce. Besides the other sources of business for this part of this canal, which would be found in the transportation of this surplus produce to market, and the very large amount of *staves, lumber, boat timber, &c.*, which the forests along the route will supply, to an almost unlimited extent, and of the very best quality in the state, we should not overlook the important fact, that this very section of country is more highly favored with water power than any other section of this state, it having been ascertained, from actual measurement, (See Doc. 47, H. R., 1838,) that the Clinton river alone affords power sufficient to drive *one hundred and forty-five runs of stone*, besides many acquisitions from smaller streams. About one-fourth of this water power is now employed in driving grist mills, saw mills, and other machinery on this route. And indeed, all the facts in the case seem fully to warrant the conclusion, that this part of the canal, at all events, will, when completed and connected, as above, produce, immediately, as great a revenue to the state, as any other projected improvement, of equal extent or equal cost.

With the existence of such a state of facts, it would seem, in any view which can be taken of the matter, that justice, policy and true economy, alike clearly dictate, that at least so much of the Clinton and Kalamazoo canal as extends from Rochester, in the county of Oakland, to Mt. Clemens, in the county of Macomb, should be completed and put in operation as soon as practicable, and that, for the purpose of rendering it available and productive, said canal should be connected, by way of the Clinton river, as before stated, with the navigable waters of lake St. Clair, according to the plan recommended by the board of internal improvement, as found on pages 664, 665 and 666, of documents of the house of representatives for 1839.

In conclusion, your committee beg leave to introduce the

accompanying resolutions,* and to recommend their adoption, in the belief that the interests of the state may be thereby advanced, its faith maintained, and no injustice done to any portion of our citizens.

All of which is respectfully submitted.

JUSTIN RICE.

Chairman.

*For resolutions, see proceedings of 24th March.

[No. 65.]

Report of the Chancellor and Attorney General, in compliance with the resolution of the Senate of the 21st instant, in regard to the general banking law.

ATTORNEY GENERAL'S OFFICE, }
Detroit, March 23, 1840. }

Hon. JAMES W. GORDON, *President Senate, Michigan:*

SIR—I have the honor to submit the following statement in compliance with a resolution of the senate of the twenty-first instant, calling upon the chancellor and attorney general for information as to the propriety or necessity of additional legislation “to provide for the more speedy settlement of demands against corporations organized under the general banking law of this state.

The undersigned is fully of opinion, that some further legislative action is both proper and necessary, in order to effect the object contemplated by the resolution; and for the purpose of clearly illustrating the importance of such action at the present session of the legislature, a brief reference to some of the provisions of the general banking law is indispensable. It will be recollected that this law was the first statutory enactment in the United States, under the provisions of which, *monied corporations* were allowed to be multiplied without limitation as to number—and without the special preliminary sanction of the legislative authority.

The provisions contained in that law, on which the public relied with the greatest certainty for the payment and redemption of the issues of these banks, were undoubtedly those sections which prescribed,

1. That the issues of the banks should never exceed twice and a half the amount of specie actually paid in and remaining in bank.

2. The bonds and mortgages required to be furnished.

3. The personal liability of the directors and stockholders.

It has been found, that the first of those provisions was, in most instances, fraudulently evaded, by the payment in of borrowed specie, which was immediately withdrawn, or the substitution of fraudulent specie certificates in the place of coin; and in this way, the bill-holders and creditors of these banks have been entirely deprived of this source of security. There remains, then, only the bonds and mortgages, the personal liability of the directors and stockholders, and the assets of these associations, for the payment of their creditors. In regard to the resources of these institutions, it may be safely assumed that not less than *two-thirds of all the assets* of the banking associations which have been enjoined, and for which receivers have been appointed, is due from directors and stockholders, and it is not too much to say, that the eventual collection of even *one-half* of these assets is extremely doubtful.

The personal liabilities of directors and stockholders, and the bonds and mortgages, must, therefore, be the principal and final reliance of the creditors of these institutions, and in many instances, it is the *sole* reliance for payment, as there are literally no assets of value. Such is the case with the Clinton canal bank, the bank of Lapeer, the Farmers' bank of Sandstone, the Lenawee county bank, the Shiawassee exchange bank, and some others. But it must be borne in mind, that the general banking law, although it provides for giving securities, and in case of insolvency, makes the "*directors personally liable, in their individual capacities, in the first place for all debts of such association, and each stockholder, thereafter, liable in like manner, for the payment of the full amount of the debts and liabilities of such insolvent association, in proportion to his amount of stock,*" yet it provides *no remedy whatever* for the enforcement of such liability; nor does it prescribe the manner in which the mortgages shall be foreclosed, or the bonds prosecuted; nor point out at what time, or under whose direction, such foreclosure and prosecution shall be made.

Here then is a *palpable deficiency* which must be provided for by legislative action, or it must be left for our judicial tribunals to prescribe such rules for the enforcement of these liabilities and contracts, as *the necessity of the case*, in the absence of legislation, will *impose*; and it is believed that no argument is required to show that such a deficiency of remedy should be provided for by the legislature, rather than leave it for the courts, by a species of judicial legislation, to prescribe such regulations as the exigency of the case may require, when presented for their decision.

The legislature which enacted the general banking law, having left its provisions incomplete, and contracts having been

made and liabilities incurred under it, for enforcing which, there are no specific remedies provided, it would surely seem not only consistent, but in the highest degree important, that some subsequent legislation should complete what was thus left unfinished; and furnish to the creditors of these associations proper and adequate remedies for the enforcement of all such obligations.

It may be proper here to observe, that the object of the law of last session, was, as its title imports, "to provide for the voluntary dissolution of corporations, and to prescribe the duties of receivers in chancery," &c., and as it was intended to be of general effect, its provisions could hardly be adapted to the particular questions arising under the general banking law; besides, many of these difficulties in practice had not then occurred; as no proceedings had been instituted to enforce the rights of creditors against directors and stockholders, and the necessity for such provisions has but recently been felt, as the proceedings thus far have been confined mainly to such action as was requisite for obtaining the appointment of receivers and the discovery and collection of the assets of the different institutions enjoined. It is, perhaps, also proper to mention, that after the passage of the bill to "facilitate and render less expensive the collection of claims against corporations and the directors and stockholders thereof," by the senate, at its present session, the chairman of the committee to whom that bill had been referred in the house of representatives, called on the attorney general for any information in his possession upon the subject, and for his opinion as to the necessity for further legislation.

In reply to that call, an opinion was given, that further legislation was necessary, not only to facilitate the closing up of the affairs of the banks under injunctions, and to enforce the collection of the debts due them, but more particularly to compel the directors and stockholders, when liable, to contribute to the payment of the debts and liabilities of the banks; some amendments to the law of last session were also suggested as additions to the senate bill.

The committee of the house, as the result of their deliberation, reported a substitute for the senate bill, embracing all the provisions of that which were material, with ten sections in addition, and a brief reference to some of the sections of that bill has become necessary in order to correct some misapprehension of its features as well as some misrepresentation of its provisions and origin.

The first five sections of the bill to amend "An act to provide for the voluntary dissolution of corporations, and to prescribe the duties of receivers in chancery," approved April 15, 1839, and to facilitate and render less expensive the collection

of claims against corporations and the directors and stockholders thereof, as it passed the house of representatives, are all amendments to different sections of the law referred to in the title, and relate solely to the powers and duties of receivers and the jurisdiction of the court over them, and are important additions to the general law to supply some deficiencies therein.

The sixth, seventh, eighth and ninth sections provide for a sale of assets by a receiver, and are clearly necessary in order to make such assets as might otherwise prove entirely worthless, available for something; or at least to enable a receiver to dispose of them so as not to delay creditors in fruitless efforts to collect worthless demands, and save the assets from being dissipated in the payment of the costs attending such efforts.

Section ten contained a provision suggested by the receiver of a western bank, and its effect would be to prevent the individuals who have fraudulently put these banks in operation, from taking advantage of their own wrong in order to defeat the collections of the debts due from them to the very institutions which were created by their own act; and the debts of which cannot be paid without a prior performance of their contract by those who now seek to publish their shame to the world, by setting up the defence that their own doings were a fraud upon the public. One reason given by the gentleman who suggested this section, in favor of its adoption, was, that a rule making the order for his appointment sufficient evidence of the right of a receiver to prosecute and enforce all contracts in favor of the bank for which he was appointed, seemed not only right, but indispensable; for receivers will be unnecessarily embarrassed by being put to the proof of the corporate existence of the institution for which they act, and no good or salutary effect can result from such a regulation. Besides, it would be manifestly unjust if the public, the innocent, and defrauded public are compelled to suffer, hopelessly, from the frauds committed by the originators of institutions "*de facto*" banks, if not "*de jure*." It may further be stated, that not one in fifty of the honest debtors to these associations, would be effected by such a provision; as that class of debtors have already to a great extent, confessed judgment, or paid or secured the amounts due from them to the banks; and by the absence of such a rule of evidence, the fraudulent operator would be aided and benefitted to the full extent that the receiver would be embarrassed and delayed, and the fund which he has in trust for the payment of the creditors, would be dissipated and exhausted.

The various sections of the bill from the twelfth to the eighteenth, are of great importance, as furnishing a consistent,

cheap, and reasonably expeditious remedy to creditors of these associations for enforcing their demands against the directors and stockholders thereof; and such provisions are clearly contemplated by the general banking law itself; the thirteenth and sixteenth sections are particularly important, as they are entirely consistent with principles long settled in other analagous cases, and their operation would save a multiplicity of suits, and prevent much needless expense, and they would neither abridge the rights of individuals, nor violate the spirit of the law under which these associations, as from a prurient hot bed, were hurried into existence.

The eighteenth section provides a mode in which the court of chancery at the proper time may direct the bonds and mortgages to be collected and proceeds applied, as the general banking law requires, to the final payment of the debts and liabilities and the redemption of the bills and notes of the association for which they were given as collateral security. Some such provision is demanded by the spirit of the law—by the just rights of individuals, and by that provision of the constitution, which enjoins upon all legislatures to hold sacred and inviolate the solemn obligation of contracts.

In conclusion, it is believed by the undersigned, that some law which shall embrace the most important features of the bill to which reference has been made, is necessary to the enforcement of laws already in existence, and is due both to the rights of creditors, to the interest of the public, and to the outraged spirit of justice which has been so often violated by the lawless operators who now seek to make their own frauds a secure shield and protection against the enforcement of their contracts and the speedy payment of the debts and liabilities of these numerous associations.

For the purpose of more clearly exhibiting to the honorable senate those provisions which are deemed essential, in order to remedy deficiencies in the existing laws, the undersigned has selected from the bill as it passed, a few sections which have been arranged in the form of a bill, and he respectfully transmits the same herewith for such action as the senate may be pleased to take in the premises.

Very respectfully,

P. MOREY.

To the Hon. J. W. GORDON,
President of the Senate:

In reply to a resolution of the senate, of March 21, 1840, referred to in the foregoing communication of the attorney general, I beg leave to say that I believe some further legislative action would be expedient, to facilitate the proceedings

against directors and stockholders, and upon the mortgages given to the auditor general, in that class of corporations to which the resolution refers.

Very respectfully,

E. FARNSWORTH.

[No. 65.]

Report of the Committee on the Militia, relative to the arms and Military stores of the State.

The committee on the militia, to whom was heretofore referred the resolution of the senate, relative to the arms and military stores of the state, report:

That they have made such investigation into the subject matters referred to them as time and circumstances would allow, that it appears by the accompanying papers marked A. and B., that the territory of Michigan received May 24, 1832, of lieutenant J. Howard, then of the United States army, and then on ordnance duty, the following property:

| | |
|--|------------------------------------|
| Muskets, | 400 |
| 400 cartridge boxes, equal in value to | 80 ¹² / ₁₀₀ |
| 400 do and belts, equal in value to | 15 ¹ / ₂ |
| Total, | 495 ¹² / ₁₀₀ |

On the 9th June, in the same year, 1832, the same officer delivered to acting governor Mason;

| | |
|--------------------|-----|
| Muskets, | 260 |
| Cartridge boxes, | 260 |
| Belts, | 260 |
| Bayonet scabbards, | 600 |
| Bayonet belts, | 600 |
| Flints, | 660 |
| Belt plates, | 400 |
| Brushes and picks, | 80 |
| Screw drivers, | 4 |
| Ball screws, | 4 |

The whole being equivalent to muskets, 336¹²/₁₀₀

Making in all, muskets actually received, 660

Other stores equivalent in value to 128¹²/₁₀₀

Total, 788¹²/₁₀₀

By a communication of the quartermaster general, referred

[Sen. Doc.]

to the committee, it appears there is one piece of artillery, a six pounder, the property of the state, in good condition.

By the same communication it appears that only forty stand of arms can be identified by the quartermaster general as the property of the state; and these are in the hands of the Brady guards. Where the others are, is unknown, although it is supposed by the quartermaster general, that they are scattered through the counties of Monroe, Lenawee and Washtenaw.

By another communication of general Comstock, the late quartermaster, it appears that there was 450 stand of arms belonging to the state distributed as follows:

| | |
|--|------------|
| In the hands of the Monroe volunteers, | 100 stand. |
| In the hands of the Detroit city guards, | 50 |
| At Mount Clemens, | 50 |
| And in the hands of the Brady guards, | 60 |
| Sent to Monguagon, | 24 |

And that the remainder are in the U. States arsenal at Dearborn. These are the same arms mentioned in the communication of colonel McKnight, quartermaster general, herewith returned to the senate.

By the communication of the adjutant general, referred to the committee, it appears that other ordnanoe and ordinance stores have been delivered by the United States to the state, but he has no authentic information to give on the subject.

The committee have been informed that several stand of arms belonging to the state are in the possession of individuals in different parts of the state, besides those already mentioned, and they believe that the interests of the state require that the executive should take immediate and effective measures to secure it against further loss.

An act of the legislature having passed at the present session, providing for the collecting and preserving the arms and military stores of the state, the committee would recommend the adoption of the following resolution.

Resolved, That the governor be requested to cause a full statement in detail of all the arms and military stores belonging to the state, together with their condition and place of deposit to be made, and laid before the senate at the commencement of its next session.

And that he also be requested to cause to be laid before the senate, a full return of the militia of the state, with such other information touching the subject matter of this resolution, as will, in his opinion, be useful to communicate.

Which is respectfully submitted.

B. F. H. WITHERELL,
Chairman Committee on the Militia.

[No. 67.]

Report of the Committee on Finance, to whom was referred the letter of Kintzing Pritchette, enclosing seven letters relative to the negotiation with the Morris Canal and Banking Company.

The committee on finance to whom was referred the following preamble and resolution, met on Monday, the 30th March, instant, at half past 2 o'clock, in the office of the secretary of state:

“Whereas, In a letter addressed by Kintzing Pritchette to the president of the senate, it is alledged that an important part of the correspondence of the said Pritchette with the bank of the United States and Morris canal and banking company, was omitted in the report of the majority of the finance committee on this subject; which correspondence has been since sent to the senate by said Pritchette, and referred to said committee; therefore,

Resolved, That the committee on finance be instructed to inquire and report to the senate, whether the correspondence so alledged to have been omitted, was included among the papers originally referred to said committee, and whether such omitted correspondence comprises all the proceedings, verbal or written, which have been had on the subject of the abrogation of the contract for the five million loan, and that in the investigation of the subject, said committee have power to send for persons and papers.”

The following persons were previously notified by the chairman of the committee, Mr. Jones, to attend the meeting of the committee, viz: S. T. Mason, Esq., K. Pritchette, Esq., George Dawson, Esq., Morgan Bates, Esq. and G. C. Hammond, Esq.

Mr. Bates appeared before the committee and the following oath was administered to him by Mr. Jones:

“You do swear that you will true answers give to such questions as shall be put to you by this committee or any member thereof touching the subject matter which they have under investigation.”

The following are the letters referred to in the foregoing resolution:

(Copy.)

Philadelphia, November 29, 1889.

To T. DUNLAP, Esq.,

President Bank United States:

SIR—I have the honor to make known to you, that the executive of the state of Michigan, acting upon a suggestion that

it might have become an object with the contracting parties to the state loan of Michigan to cancel the existing contract and obligations of the respective parties, has confided to me as his agent, clothed with the necessary power, to contract with the Morris canal and banking company, the bank of the United States, or any other party, for the abrogation of the aforesaid contract, on such terms as shall, in my opinion, be just and correct and most conducive to the end in view.

To this end I have visited Philadelphia, and address myself to you as the presiding officer of the institution by which the payment of certain instalments are guaranteed; and in whose hands or under whose control a large portion of these bonds are presumed to remain.

With a view to the fulfillment of the duty confided to me, I propose to enter into a negotiation with your institution for a surrender of such an amount of the Michigan state bonds as have not been paid, or which have not been anticipated by drafts on the January instalment, with a deduction likewise, of a sum sufficient to meet the interest due on the first of January, 1840, upon the amount of bonds not returned.

Will you do me the favor to inform me, at your earliest convenience, in what position these bonds are placed—the amount in the possession of the bank, or under its control, and whether such negotiation as is contemplated by the executive of Michigan, can be entered upon for the surrender of the stock at this time, or at any subsequent period, not too far removed to render effectual the end in view.

With great respect,

Your obedient servant,

(Signed,)

KINTZING PRITCHETTE.

(Copy.)

BANK OF THE UNITED STATES, }
November 29, 1839. }

KINTZING PRITCHETTE, Esq.:

SIR—I have the honor to acknowledge the receipt of your letter of this date, and also that of S. T. Mason, Esq., dated at Detroit, November 11, 1839, introducing you to me.

In reference to the inquiry you make, as to the bonds of the state of Michigan, heretofore sold by the authorities of that state to the Morris canal and banking company, I beg leave to inform you, that all the said stock for which this bank guarantees the payment, has been transmitted to Europe, and either sold or disposed of for a period of time, which would prevent an action at present, upon your suggested negotiation for its

return to the state. If any information hereafter received from the agency of the bank in London, should open the way for such negotiation, I will apprize you of it.

Very respectfully, yours,

(Signed,)

T. DUNLAP, *President.*

(Copy.)

New York, December 4, 1839.

To EDWARD R. BIDDLE, *Esq.*

President of the Morris Canal and Banking Company:

SIR—I have the honor to make known to you, that the executive of the state of Michigan, acting upon a suggestion made by you during his visit to New York, that it might be an object for the contracting parties to the Michigan state loan, to annul, to a certain extent, the existing contract, has commissioned and authorized me to open a negotiation with your institution, or any other party interested, for that purpose.

Will you do me the favor to inform me, at your earliest convenience, in what position the bonds of the state are placed—in whose possession or control, and for what purpose—what amount remains within the control or possession of the bank, and whether at the present, or any future period, not far distant, a negotiation may be entered upon for the surrender of the state bonds yet unpaid, or not anticipated by drafts, &c., and the abrogation of the unfulfilled part of the contract.

With great respect,

Your obedient servant,

(Signed,)

KINTZING PRITCHETTE.

(Copy.)

OFFICE OF MORRIS CANAL AND BANKING COM., }
Agency, New York, December 4, 1840. }

KINTZING PRITCHETTE, *Esq.:*

DEAR SIR—Your favor of this date is before me. We beg leave, in reply to your communication, to state, that at the time of our selling all the bonds for account of the state of Michigan, we conferred with his excellency governor S. T. Mason, as will also appear in our communications with him, in relation to the price, as well as all the details of the arrangement, &c.

We do not know what the several purchasers have done with them, but presume a considerable portion of them have been sent to England and the continent, &c.

It will give us pleasure to aid you in making the arrangement proposed by you in relation to the bonds of the state of Michigan.

With great respect,
I am, your most obedient servant,
(Signed,) E. R. BIDDLE,
President.

(Copy.)

New York, December 7, 1839.

To T. DUNLAP, Esq.,

President Bank of United States:

SIR—Since the arrival of the steamship Liverpool, I have reason to believe that a considerable amount of American securities have been returned by that vessel.

Allow me to request that you will inform me whether any portion of the Michigan state stock has been received by your institution, or any information of the position of that stock, if still abroad, and whether, in either event, its situation has been so changed as to open the door for a negotiation for its surrender to the state, and the abrogation of the contract for the same, agreeably to the suggestions contained in my communication to you, of the 29th ultimo.

An immediate reply to this communication, addressed to me at the Astor House, New York, will much oblige,

Yours, with great respect,
(Signed,) KINTZING PRITCHETTE.

(Copy.)

BANK OF THE UNITED STATES, }
December 9, 1839. }

SIR—In reply to your esteemed favor of the 7th instant, received this morning, I can only say, that our last letters from London, of 18th ultimo, make no mention of the Michigan bonds, leaving me under the same impressions which I previously stated to you, that they are sold, or under hypothecation for a long period. In either case, there would not appear to be an opportunity offered for a negotiation, such as your letters suggest.

Very respectfully,
Your obedient servant,
(Signed,) T. DUNLAP,
President.

The following questions were propounded to Mr. Bates by Mr. Jones :

Question 1. Are these the letters which were furnished you by Mr. Pritchette, for publication?

Answer. These are the seven letters that were furnished to me by Mr. Pritchette, at the request of Mr. Etheridge.

Question 2. Did Mr. Etheridge say to you that those seven letters were among the documents referred to the committee on finance? If so, please state the reason or reasons that he gave for wishing you to publish them.

Answer. Mr. Etheridge called at the counting room of the Advertiser to obtain a proof sheet of his minority report on the five million loan negotiation. He asked me if the correspondence which accompanied the majority report would accompany his, or if we were printing that correspondence; and stated that if we were, there was a portion which should be added to it that had been omitted by the majority of the committee. I asked him if that to which he alluded formed a legitimate part of the correspondence? He replied that it did—that it was placed with the rest before the committee, but for some unaccountable reason, was overlooked or omitted. He would not say that it was *design*, but it was *very singular*. He asked if I was willing to publish that which had been omitted. I told him he must be the judge of its propriety.

On a second interview, I told him we were printing the original correspondence. He replied that he would like to have appended to it that to which he had previously alluded; and on being positively assured by him that it had been laid before the committee, and that it properly belonged to, and was necessary to a correct understanding of, the other, I consented to append it.

(Signed,)

MORGAN BATES.

The following interrogatory was put to Mr. Bates by Mr. Etheridge :

Question 1. Did I not say that the documents were supposed to have been furnished the committee?

Answer. No.

Mr. Mason appeared before the committee, and being sworn, the following interrogatories were put to him by Mr. Jones :

Question 1. Have you in your possession, or within your reach or control, any letter, memorandum, paper, writing, or document, written by yourself, Kintzing Britchette, Esq., or any other person, touching, or in any manner relating to, the mission of Mr. Pritchette, as an attorney of the state, under your power of attorney dated November 16, 1839, copies of which have not been furnished the committee appointed to consider upon the proposition of the Morris canal and banking company, submitted through you to the auditor general, for

canceled or changing the contract for the sale of the five million loan? If so, please produce said papers, or state where they can be found.

Question 2. Have you furnished, or caused to be furnished to the committee, full copies of all the correspondence, negotiations, or propositions in your possession, or within your knowledge or control, relative to the abrogation of the five million loan, made or received by the state of Michigan, or any person acting under your authority, as an agent of the state?

Question 3. Please state why you withheld from the public, (from the 16th of November, 1839, to the 18th of February, 1840,) that you authorized Mr. Pritchette to cancel all the instalments due on the five million loan coming due after the 1st of July, 1840.

Answer. To the first interrogatory, I answer, I have no other papers whatsoever, in my possession, written by myself, Kintzing Pritchette or any other person, touching or in any manner relating to the mission of said Pritchette, as an attorney for the state, to effect a change in the contract with the Morris canal and banking company and the bank of the United States.

To the second interrogatory, I answer, that I have furnished or caused to be furnished, full copies of all the correspondence, negotiations or propositions, in my possession or within my knowledge or control, relative to the abrogation of the five million loan, made or received by the state of Michigan, or any person acting under my authority as agent of the state.

In answer to the third interrogatory, I reply, that the authority given Mr. Pritchette, was made known at the time to the proper officers of the state government, and to others, and would have been made known to any one, who would, from proper motives, have made the inquiry; that I did not give general publicity to the matter, because I did not know how far the interests of the state would have been served by a public declaration, that such negotiation was on foot, and that so soon as the final result of Mr. Pritchette's negotiation was known and received, it was communicated to the auditor general to be submitted to the proper authorities of the state.

It may be proper here to state again, as I informed the chairman of the committee heretofore, that copies of the first letters which passed between Mr. Pritchette, and the contracting parties to the loan, were left on file in the executive office, when I transferred the papers of that office to my successor.

(Signed,)

S. T. MASON.

The following question was also put to Mr. Mason by Mr. Jones:

Please state whether the documents published by the committee on finance, now handed you, are all the documents that you sent to the auditor general.

Answer. To the further interrogatory of the committee, I answer, that I cannot tell, whether the papers published by the finance committee, embrace all the documents furnished the auditor general by me, as I did not examine the papers at the time, or have I since examined the published documents. The papers were received from Mr. Pritchette, on the eve of my departure from the city, and I had only time by referring to the numbers of the correspondence, as endorsed, to read the letters bringing the negotiation to a close. The entire package, however, as received, was transmitted to the auditor, and I would respectfully refer to Mr. Pritchette, who can probably state what portion or copies of his correspondence was embraced in the package transmitted by me to the auditor as before stated.

(Signed,)

S. T. MASON.

To STEVENS T. MASON, *Esq.* and K. PRITCHETTE, *Esq.*

In the name of the people of the state of Michigan, you are hereby required, laying aside all your business and excuses, to be, and appear before the committee on finance of the senate of the state of Michigan, this day, at 10 o'clock, A. M., at the office of the secretary of state, to give evidence before said committee, what you, or either of you, may know relative to the correspondence of Kintzing Pritchette with the bank of the United States and the Morris canal and banking company, in relation to the canceling any part of the bonds of the state relating to the five million loan.

DE GARMO JONES,

Chairman Committee on Finance.

Detroit, March 31, 1840.

Whereas, In a letter addressed by Kintzing Pritchette, to the president of the senate, it is alleged that an important part of the correspondence of the said Pritchette with the bank of the United States and Morris canal and banking company, was omitted in the report of the majority of the finance committee on this subject; which correspondence has been since sent to the senate by said Pritchette, and referred to said committee; therefore,

Resolved, That the committee on finance be instructed to inquire and report to the senate, whether the correspondence so alleged to have been omitted, was included among the papers originally referred to said committee, and whether such omitted correspondence comprises all the proceedings, verbal or written, which have been had on the subject of the abroga-

tion of the contract for the five million loan, and that in the investigation of the subject, said committee have power to send for persons and papers.

I hereby certify, that I served the within on S. T. Mason, Esq., by his reading the same in my presence, and by my stating the substance in his hearing,

Also, on the within K. Pritchette, Esq., by reading a part in his hearing and stating a part of the substance to him, and was prevented from reading the whole in his hearing by his refusing to hear the same; he saying at the same time that he accepted the service of it by me, and at the same time saying that he would not attend the within named committee.

R. S. PARKS,
Sergeant-at-Arms of Senate.

Detroit, March 31, 1840.

State of Michigan, Wayne County, ss.

Eurotas P. Hastings, of the county and state aforesaid, being duly sworn, deposeth and saith, that he has carefully examined the several letters from one to seven, inclusive, now shown to him by honorable D. G. Jones, which said letters are published as an appendix to the report of the honorable Samuel Etheridge of the finance committee, touching certain negotiations by and between Kintzing Pritchette, Esq., as agent of the state of Michigan, and the Morris canal and banking company and the bank of the United States, for the abrogation of the contract for the five million loan. And this deponent further saith, that neither of the said seven letters nor any one of them were placed in his hands with the other letters appended to the report of the majority of said finance committee, at the time of the receipt of the same from the honorable Stevens T. Mason, or before or afterwards; that he has no knowledge of said letters having been laid before said committee, and that he never saw them or either of them until he saw in print.

E. P. HASTINGS.

Sworn and subscribed before me, this first day of April, 1840.

J. O. GRAVES, J. P.

State of Michigan, Wayne County, ss.

Langley Bruce, being duly sworn, deposeth and saith, that he is now, and has been, since the 10th day of January last, acting private secretary to governor Woodbridge, and as such secretary, he has carefully examined in person, the files of the

executive office; that on such examination, he cannot find any copies or originals of any part of the correspondence or negotiation made by Kintzing Pritchette, with the Morris canal and banking company, or the bank of the United States, for the abrogation of the contract for the five million loan; that there is not now, nor has there been any paper, letter or document, or writing relating to said negotiation, among the files of the executive office, as he can discover; and this affiant further says, that in the early part of the session, this affiant was directed to aid and assist the secretary of state, Mr. Manning, to examine all the files in the executive office, for the purpose not only of assorting, so far as practicable, the papers in the office, but especially to examine for all letters of resignation, if any such could be found, in order to be filed and noted in the office of the secretary of state; that accordingly this affiant, in conjunction with said Mr. Manning, went into such examination diligently, and the few resignations that were found, were delivered to him by direction of the governor, to be filed in the state department; and this affiant is very confident that no papers were then taken by the secretary of state except the few letters of resignation which were found.

This affiant is further very confident, that no such papers as are alluded to, have been taken from the files, or from the office since, and the recent search he has made, renders it certain that there are none such now.

LANGLEY BRUCE.

Sworn and subscribed before me, this first day of April, 1840.

D. E. HARBAUGH, J. P., M.

In the performance of the duty confided to their care, the committee deemed it most important to ascertain, by the clearest evidence within their reach, whether the documents contained in the letter of Mr. Pritchette to the president of the senate, had been *previously* furnished to the committee, and whether they were not appended to the report of the majority by *accident* or *design*. They could not consent to remain quiet under the grave charge impliedly made against them, both in the letter of Mr. Pritchette and in the directions of Mr. Etheridge, that a majority of the committee had suppressed, by design, or overlooked by negligence, *seven letters*, constituting, in their opinion, a most material part of the negotiation of Mr. Pritchette. The evidence was therefore called for, and in the foregoing documents is now laid before the senate for such action as they may deem meet and proper in the premises. What does this evidence prove? Does it substantiate the charge, made against a majority of that committee, or does it

not? A single glance at the evidence (aside from the statement made by the president of the senate, when the letters referred to were received,) shows conclusively that that portion of the correspondence by Mr. Pritchette with the United States bank, in Pennsylvania, *appended* to the report of the minority, *was never furnished to the committee at all*, and that Mr. Pritchette's statement, that such correspondence *had been omitted*, was entirely a mistake. From the affidavit of the auditor general, it is evident that they were *not* among the letters furnished him by Gov. Mason, and, strange to say, no part or parcel of these public documents, belonging to the executive department of this state, has ever been placed on file in the executive department of this state, as appears from the affidavit of the private secretary, appended to this report. But what is the testimony of Mr. Pritchette upon this point, the author of the severe charges upon your committee? What explanation does he furnish to the senate of the reasons why his letter of complaint was laid before the senate? It was natural to suppose that he would be ready at once to present the committee with such evidence as warranted him in making a statement, to be recorded on your journals, that this correspondence had been "mutilated in its publication," that "it had been *omitted*" and suppressed? Has he furnished this evidence? Has he supported his charge by his own oath or that of credible witnesses? Let the senate look at the return of the sergeant-at-arms, to the subpoena served upon Mr. P. and these questions are answered. The committee, (desirous to avoid every thing of a harsh kind,) first notified Mr. Pritchette, by letter, from their chairman, of their meeting, and the object of it, and respectfully desired his attendance. Their request was treated with utter disrespect, he neither came, nor explained to the committee why he could not attend. A subpoena was issued in due form, and the sergeant-at-arms served it by reading its contents to Mr. Pritchette, as appears by the return. To this summons he replied by volumes of abuse and profanity upon the chairman of the committee, and openly declined obeying its mandate. He bid the senate and their committee defiance, and trampled their authority beneath his feet. Instead of attempting to explain the manner in which the mistake might have occurred, he has furnished convincing proof, by his conduct, that the statement made in his letter to the senate was *untrue*, and that *he knew* it was untrue when made; that the letters then furnished to the senate had been indeed suppressed, but suppressed and "*omitted*" by *himself*; and the sequel will show that he had *good reasons* for thus endeavoring to conceal from the public eye this part of the correspondence, if he could do so without detection.

Your committee are fully aware of the fact so gravely sta-

ted in the report of the minority, that citizens have rights not to be broken down by the senate, but they are also aware that as senators, as members of this committee, they too have rights and reputations to protect, that the interests of their constituents, and their sacred oaths as senators, demand that no charge effecting their official integrity, can be permitted to go unnoticed. The evidence before them, warrants them in distinctly stating, that the letters appended to the report of the minority, were not "omitted" by the committee, for the simple reason, that they *had never been furnished them*, and Mr. Pritchette's subsequent refusal to attend before the committee to verify his statement under oath, *confirms the belief* that he attempted *willfully* to deceive the committee and the public.

Were not the labors of the senate so nearly completed, your committee would deem it their duty to urge before the senate, the propriety of his punishment for this outrageous contempt of their privileges and powers, but they are constrained to believe that the few hours now left of the session, would be illy spent in any attempt to punish one who seems so utterly regardless of the respect due to the laws and constituted authorities of the state, as he is of his own character as a faithful public agent.

But your committee are compelled in self defence, to call the attention of the senate to another portion of the evidence elicited in this investigation, in relation to the publication of these documents, not only without the assent or direction of the senate, but in direct violation of their positive order. From the testimony of Mr. Bates, it would seem that the author of the minority report gave repeated directions for their publication, stating that they were "a legitimate part of the correspondence, that *they had been laid before the committee*, but for some unaccountable reason, had been overlooked, or omitted." He would not say that it was "design, but it was very singular." Your committee will not say that this statement so utterly incorrect, was made by an honorable senator by "design," but they do say it is "most singular." Had these letters been laid before the committee? The evidence above referred to, proves that such was not the fact. Did not the author of the minority report *know* that they *had never been furnished to the committee*? He was assured by the president of the senate, that all the documents received from the committee were appended to the report of the majority, and how did it happen, that without any evidence, he was ready to *jump* at the conclusion, that some part of this correspondence had been spirited away for political or sinister purposes? How could he suppose that such an act would be perpetrated by any senator, unless perchance he judged of the motives of others by a careful scrutiny of his own? But how could he direct the publica-

tion, of these letters, when the fact must have been fresh in his memory, that when they were offered to the senate for publication as part of the correspondence, it was peremptorily refused? Your committee will not say that this statement of the honorable senator was made by "*design*," but they repeat in his most emphatic language "'twas strange, 'twas *passing strange*." Was it part of that same mysterious conduct that induced him at one time to denounce the whole project of gov. Mason to abrogate the contract for the \$5,000,000 loan, "*as an outrageous violation of law, as a schemo fraught with consummate stupidity, or barefaced villainy,*" and subsequently to lay before the senate a most "*lame*" and "*impotent*" apology for the act, submitted in a report filled with a tissue of sophistry that would bring discredit upon the abilities of the veriest pettifogger in the land? Was he impelled in this course by his honest unbiassed feelings, or was he hustled along by the secret influence of a power he dared not resist? Was he animated by the same vacillating policy that prompted him to accept, approve of, and adopt the sentiments, nay, the very language of the majority report on one day, and the next to rise in his seat and criticise a scriptural allusion as improper, which was inserted at his own suggestion, and over which he chuckled with all the fondness of a father for his much loved pantling? These are questions for him to answer to his conscience, that his statement was *not true*, that he erred either by design, or was most egregiously mistaken, is proven beyond all doubt, that the seven letters *appended* to his report were not "*omitted*" or "*overlooked*" by a majority of the committee is disproved, indeed it is shown by evidence of the strongest kind, that Mr. Pritchette did not for some reason, furnish these letters to the committee at all. But the committee here ask what motive they could have had in suppressing this part of the correspondence? Does it change any of the conclusions drawn in their previous report? It does not, and goes clearly to substantiate all, aye even more than they had dared to surmise in regard to this most singular negotiation; and did they require any additional grounds for reprobating in the strongest terms the whole negotiation, these *seven letters* furnish them.

By reference to the last of the seven letters appended to the minority report, date December 9, 1839, it will be seen that the United States bank of Pennsylvania, (an institution entirely and separate from another institution of the same name in New York,) which institution had bought from the Morris canal and banking company three fourths of the bonds left with them, and had guaranteed the payment of the several instalments to this state, stated fully to Mr. Pritchette, that they could not treat for a return of the bonds "*because they had sold or hypothecated them in Europe.*"

This letter was written after the arrival of the "Liverpool," and was a second letter from the same individual declining any negotiation for the return of the bonds held by them. Now then, on the 19th of December, ten days after Mr. Pritchette was assured by Mr. Dunlap (the president of the only bank of the United States with which the state of Michigan had ever made any contract or negotiation,) that he could not treat for a return of our bonds; we find the field of operations changed. A new correspondence is opened with another bank, in the city of New York, having no identity or interest with the bank of Pennsylvania, for the surrender of the same bonds that Mr. Dunlap had twice stated to Mr. Pritchette, were sold or hypothecated in Europe. But we are told that "Mr. George Griswold, the president of the bank of United States in New York, had received authority from the bank of Philadelphia to negotiate," and this statement is made in the report of the minority under the signature of an honorable senator, whether by "design" your committee cannot say, but they certainly deem it "very strange." Is it not strange, we ask, that a senator should state so important a fact as this, when the evidence now elicited proves that it has no foundation in truth? If Mr. George Griswold was authorized to act in New York as the agent of the United States bank of Pennsylvania, where is his letter of authority? Among the files of this correspondence? No! there is no such document. Was it shown to Mr. Pritchette? If so, did he take a copy of it? Governor Mason states that every paper connected with this transaction is now before the committee. Has Mr. Pritchette appeared before the committee to explain how it was, that in ten days time the United States bank in Philadelphia should be able to treat for the return of these bonds, which they had stated were beyond their reach by "sale or hypothecation?" Has he informed the committee why the president of that bank should transfer the negotiation for so large a sum from Philadelphia to New York? from the bank over which he presided, to one over which he had no control?—from a bank that was bound by the condition of its bond, to one known to our state by name alone? He has declined giving any explanation of this mysterious movement. Has he shown to any person the slightest authority from Mr. Dunlap to Mr. George Griswold? He has not, and your committee are forced to the belief from the nature of the correspondence itself, that no such authority was ever given, that the whole transaction involved some secret scheme, which has not yet been penetrated. And this suspicion is more than confirmed by the letter of this Mr. George Griswold, dated December 28, 1839, in which he proposes for the bank of the United States in New York, to contract for the return of our bonds, and to give the security of that institution

only for the performance of the contract. But the veil with which the transaction is endeavored to be concealed is too flimsy, the eye of common sense penetrates it at a glance, and it appears to be simply this.

Mr. Pritchette attempted to negotiate with the United States bank in Pennsylvania—that bank had transferred the bonds, and could not nor would not *treat with him*. He proceeded to New York, where the United States bank of that city opened on their *own* account, a negotiation with Mr. P., without any earthly authority from the bank of the United States of Pennsylvania, nor does Mr. Griswold refer to any such authority in any of his letters, nor to any agency on his part for any institution except his own, as he was acting solely for the United States bank in New York. Had his proposition been accepted he would have given his guarantee to return the bonds agreed for at stated periods, and in the mean time his bank would have been receiving the several instalments from the United States bank in Philadelphia *now payable to us*; in short, he would have *contracted* to return us our bonds, and would have taken *our* money to buy them with. Instead of abrogating the contract it was simply making a loan to the United States bank of New York; what per centage the lender was to receive does not appear. Does the aspect of this negotiation change its character, so as to render it more acceptable to the people? and is there any good reason furnished by this explanation, why the committee should be less severe in their reprobation of the whole negotiations?

From these considerations, the committee are forced to the conclusion, that the statement in the minority report, that Mr. Griswold was acting as an agent for the United States bank of Pennsylvania, is *incorrect*, as there is no *proof* of the fact. Mr. Griswold himself does not say so, nor in any manner intimate that such is the case. Mr. Pritchette has furnished no proof of his, (Mr. Griswold's) agency, and none such has ever existed.

With these remarks, the committee submit the whole matter to the consideration of the senate, and in doing so, they will briefly review two points, which the report of the minority seeks to establish.

First. That governor Mason had authority by law to cancel the contract with the Morris canal and banking company, for the five million loan.

Second. That Mr. Pritchette was authorized by his power of attorney, to bind the state after his principal ceased officially to exist, and that it was proper for him to execute a contract in the latter part of January, and date the same as of a previous day.

In the previous report of this committee, it was contended

that no such power belonged to governor Mason, and that even if it did, it must have ceased with his official existence, and that any effort to escape from the termination of it by false date, was *wrong*.

It is contended by the minority, that the position assumed by the majority, viz: "that when the contract was signed, governor Mason's power ceased," leads to an absurdity, that it would preclude him from altering, amending, or changing the contract *first* signed, *all* of which he did do, and the legislature recognized his acts as valid and according to law. Let us test this reasoning by common sense. The state of Michigan desired to borrow a sum of money; they appointed, *not* Stevens T. Mason, but the *then* governor, their agent to make a contract for the money. He was authorized to act just so far, and so long as to secure the loan, and then his agency terminated. Now then, until this loan was obtained, until the contract was so altered or amended as to *obtain* the money on such terms as were satisfactory to both parties, his agency continued. This was the nature of the acts performed by him, and ratified by the legislature. The contract was not completed until it had been so modified as to suit both parties, and induce them to acquiesce in it. But will it be said that, canceling or abrogating the contract, when made and accepted by both parties, was as much within the scope of the law as altering the contract, so as to attain the very object in view, viz: the obtaining the loan. It is preposterous, it is absurd! Governor Mason was authorized by law to *borrow money*, and every act done in pursuance of that object for the purpose of *obtaining the money*, he was clearly authorized to perform. When he undertook to cancel that contract, and deliver back the money which he had borrowed, he not only acted without law, but in *violation* of it. He was an agent to *perform* a certain act, not to *undo* that act after its completion; he was empowered to *borrow*, not to *lend*; to make a contract, not to *cancel one already made*.

Nor will it, we think, be contended, that any act done by governor Mason, in his official capacity, after his successor was in office, would be valid or binding, even though done as of *some previous date*. Could governor Mason issue commissions *after* he was out of office, and give them force and effect by a previous date? It is perfect nonsense. He could perform no official act, after he ceased officially to exist. And will it be said that Mr. Pritchette, who was a sub-agent of the governor in his official capacity, could continue to perform, as *agent*, that which the *principal* himself could not do? Mr. Pritchette is a lawyer, and he could not have forgotten in so important a matter, that the death of the principal, in all cases, *revokes* the power of attorney to an agent. Governor Ma-

son gave him a power of attorney to act; on the sixth of January, governor Mason ceased to exist; *officially*, he died; his power of attorney was thus revoked, and Mr. Pritchette was no longer an *agent*, because the principal was dead. It is said, however, that Mr. Pritchette in his letter, simply agreed to accept a proposition of that date, and close the contract as of the sixth of January, and that it is a very common matter in commercial transactions. Mr. Pritchette says:

"That in the event of a satisfactory negotiation with that institution," (the Morris canal and banking company,) "I shall be willing to entertain the proposition made by the bank of the United States, and should the details of that proposition be satisfactorily adjusted, shall be willing to enter into the arrangement as of this date." Your committee are aware that it is no uncommon thing for parties, who have agreed upon a contract, to delay its execution for days, and still the papers are dated of the time when the contract was concluded. Land may be sold of one day, the papers not delivered for several days subsequent, and yet the deed bear date of the day of sale. But is that the present case? He did not agree to make a contract on the *sixth of January*, and *execute* the papers afterwards, of that day; such is not the language or spirit of the proposition; the agreement was simply to receive a proposition, to entertain that proposition, to continue the negotiation until a contract was finally made, and then execute the papers with a date long previous to the closing of the contract. Would the state have been legally or morally bound by any contract made by Gov. Mason after the sixth of January? Surely it would not. And was not the attempt of an agent thus to bind the state in violation of law, highly culpable? Your committee are therefore compelled, after a candid review of all the proceedings, to the conclusion, that Gov. Mason had no authority to cancel the contract; that the acts of his agent were highly improper, and that every circumstance connected with this negotiation, goes fully to show that it was unlawfully begun, improperly carried on, and that if accident had not prevented its completion, the state would have been utterly prostrate and its ruin complete.

D. G. JONES,
Chairman.

Affidavits of Aaron Weeks and others, and other documents, relative to the Sault de Ste Marie Canal, transmitted by the Executive with his annual message of January 8, 1840.

Detroit, December 24, 1840.

Hon. WILLIAM WOODBRIDGE:

SIR—In answer to the request that I would reduce to writing a summary of the information that I may possess respecting the situation, wants and resources of the country bordering on lake Superior, that lies within the limits of this state, I have the honor to lay before you a few observations, being some of results of upwards of twenty years acquaintance with that region, during which time I have been engaged in traveling in all seasons of the year, over almost every part of the country adjoining lake Superior. And should you deem any part thereof worthy of being hinted at in your message, I should feel highly gratified in being, in part, the means of bringing that part of our state into favorable notice.

The southern coast of lake Superior that lies within the limits of this state, are some five hundred miles in extent, besides a number of islands. The principal ones are Isle Royal, Grand Island, and Caribbean, around each of which there has, within the last few years, been extensive fisheries discovered and put in operation, that bid fair to be productive to an almost unlimited extent. In fact, there is no part of that vast extent of coast and waters but has, thus far, rewarded, in the most liberal terms, the exertions made by the few adventurers thus far engaged in that soon-to-be important part of our state.

There is reason too for asserting the fact, that the copper mines of ore on the point *Kewenna*, will soon become a profitable source of employment to a large class of the laboring part of our population, and permanent occupation to a great part of our unemployed shipping, as soon as the door of admittance shall be opened. The fact of the existence of immense beds of rich copper ore on the surface, has been, within the last year, ascertained by actual examination by practical miners, at considerable private expense.

The forests of lumber of the most beautiful pines, through which are running hundreds of streams sufficient to float it to within the reach of ship navigation, are extensive and sufficient to warrant the assertion, that ages will be required to consume them.

As soon as the obstacles to navigation between the lakes shall be removed, so that a trade can be opened by introducing provisions for the support of the needy inhabitants of that far off region, an acclimated population of industrious, temperate,

frugal Scotch, and their descendants, will immediately repair to the shores of lake Superior from the oppressed British colonies, to the west, and the numerous trading posts about the environs of north and west.

The exports of lake Superior for the two last years, as nearly as I can ascertain, are about \$242,000 in furs and fish, &c., exclusive of the business about the falls of Ste Marie, which is, the past year, four thousand one hundred and twenty barrels of fish, besides about \$11,000 worth of furs, &c.

Yours, most respectfully,

SAMUEL ASHMAN.

Mount Clemens, December 11, 1839.

Hon. WILLIAM WOODBRIDGE:

SIR—Inclosed I send you all the papers I have in my possession in relation to the Sault de Ste Marie canal, from which you perhaps, will be able to obtain all the information you desire. I will, however, state, that on the day of my arrival upon the ground, and before I had landed my men, and before any operations had commenced by me, I received the communications marked A. I immediately wrote the letter marked B, and forwarded the same to lieutenant Root, acting assistant quartermaster, and on the same day I received the paper marked C. You will perceive by these communications that a disposition was manifested at the outset to prevent my going forward with the job.

I did, however, make an attempt to begin the work as far as was possible for any one in like circumstances, as the engineer was not on the ground and the work not laid out. It was very little I could do more than clear off the trees and ditch the low grounds; accordingly I placed my men upon the line and commenced digging, but was compelled to desist by the troops under command of captain Johnson.

The principal reason of my attempting the work on the job at the place where I did, was because it was absolutely necessary to do it for the purpose of draining the ground and prepare it for excavation, and because that I could not so profitably prosecute my job by beginning at any other point; and I can find nothing in my contract which directs any point at which I should commence, and I know of no good reason why I should not consult my own interest in the matter, especially when it did not in any manner effect the interest of the state. By the paper marked D, you will perceive the actual expense incurred by me.

Very respectfully, yours, &c.,

A. WEEKS.

P. S. I would further state, that it is a fact susceptible of proof, that lieutenant Root said before I arrived on the ground, that if he received certain letters from Washington, the work should not go on.

A. W.

(A.)

(Copy.)

QUARTERMASTER GENERAL'S OFFICE, }
Washington, March 6, 1839. }

SIR—Your letter of the 14th of January has been recieved. It could not, it is presumed, have been the intention of the legislature of Michigan, in contracting for the opening of the canal around the rapids of Ste Marie, authorized by that body, to interfere with the improvements made by the United States at your post, amongst which the mill race is regarded as one of the greatest importance. You will, therefore, apprise the contractor that he cannot be allowed, in the execution of his contract, to interfere in any way with that work.

As the war department is, however, unwilling to throw any unnecessary impediment in the way of the important work projected by the state of Michigan, you will not object to its being conducted through the military reservation, or grounds, provided it can be done without serious injury to the interest of the United States.

I am, sir, very respectfully,

Your obedient servant,

HENRY STANTON,

Acting Quartermaster General.

Lieut. Wm. Root,

Acting Assistant Quartermaster, Fort Brady.

Fort Brady, May 12, 1839.

GENTLEMEN—I respectfully call your attention to the above copy of a letter from the acting quartermaster general, in pursuance to which it will be my duty to interfere with any work on the projected canal that might injure the United States' mill race near this post.

Respectfully, your obedient servant;

WM. ROOT,

Lieut. 5th Infantry.

Messrs. SMITH, DRIGGS & WHEELER,

Contractors for Canal around Ste Marie Rapids.

(B.)

Sault de Ste Marie, May 15, 1839.

SIR—Your notice, dated May 12th, has been received with a copy of a letter from the acting quartermaster general of the United States, with instructions to stop the contractors of the Sault de Ste Marie ship canal, provided they interfere with the mill race or any other improvements of the United States, therefore, I would respectfully ask for further information; will the contractors be permitted to cross the said mill race with the excavation on said line of canal as located by the board of internal improvement of the state of Michigan, peaceably and without interruption. We are bound by the state of Michigan to excavate the ship canal within the lines run and laid out by the chief engineer. Those lines cross the said mill race a few rods from the upper lock, and it will be impossible for us, as contractors bound by the state of Michigan, to proceed with said work without interfering or having exclusive control of the said mill race where the line of the canal crosses; therefore, we shall proceed to work on said line of canal, and cannot allow water to flow through said race where the line of canal crosses the same, as it will entirely frustrate the object that the state of Michigan had in constructing a ship canal around the rapids of the Sault de Ste Marie, and the contractors will be obliged to abandon said work at a very great loss to themselves, and we believe also to the state of Michigan. As we cannot see whereby the United States will be injured even if the work should go on as laid out by the authorities of the state of Michigan, you will answer the foregoing inquiries as soon as convenient.

SMITH, DRIGGS & WEEKS,

*Contractors on the Sault de Ste Marie Canal.**per A. WEEKS, Agent.**To Lieut. WILLIAM ROOT,**Acting Assistant Quartermaster.*

(C.)

Fort Brady, May 13, 1839.

SIR—I have read your letter to lieutenant Root, acting assistant quartermaster, concerning the cutting through the mill race belonging to the United States, and asking if the work shall be permitted to go on peaceably. It cannot. The instructions lieutenant Root has received from the quartermaster general, are positive; and much as I regret impeding any

work for the public good, I have only to see them carried out to their full extent.

I have the honor to be, sir,

Your most obedient servant,

A. JOHNSON,

Capt. 5th Inf. Com'g Fort Brady.

Mr. A. WEEKS, Agent

for Contractors for the Sault de Ste Marie Canal.

(D.)

Amount of expenditures, by A. Weeks, contractor, on Sault de Ste Marie Canal.

1838.

Oct.

My expenses to the Sault to examine, to see what would be wanted to carry on said work, \$100 00

1839.

May 1,

My expenses to get hands and provisions ready for the work and materials, 200 00

Making of fifty wheelbarrows, (total loss,) \$3 each, 150 00

Cash paid for coal and hammers, 5 00

do blacksmithing, 5 49

40,000 feet lumber for shantees, \$10 per M, 400 00

May 12,

My expense with men, by way of Mackinac, 67 00

Cash paid Calker and Saunders, 22 00

do two hands in lieu of their passage down, 20 00

do for burying one of the men that died, 3 00

Freight bill of hands and articles for the work, up and down, 1,550 00

Lost on provisions at least, 500 00

Loss on materials, bedding, &c., 250 00

My expenses to see the commissioners, after being driven off by the United States troops, 50 00

Cash paid Sherrill, as foreman, 80 00

do laborers and board, 1,000 00

do my clerk, services, 180 00

do Frenchman for services, 40 00

(Burdano)

Carried forward,

\$

| | | |
|------------------|--|-------------------|
| Brought forward, | | |
| May 12. | Cash paid expense of pilot, | 10 00 |
| | do Newcomb as carpenter,* | 307 07 |
| | do S. Vandervoort, carpenter,* | 160 00 |
| | do Van Ranslear, foreman,* | 160 00 |
| | do J. S. Parks and assistant blacksmith,* | 399 96 |
| | do John Levake as foreman,* | 288 00 |
| | Incidental expenses not known, but at least, | 200 00 |
| | My time in the business, | 1,000 00 |
| | | <hr/> |
| | | <u>\$7,047 52</u> |

The above is as near the loss and expenditures, as I am able to get at, as I did not expect, when I commenced the prosecution, to have left the work until finished, therefore, I cannot get the amount to any exactness, as I paid expenses and kept no account, thinking it would make no difference.

*These men were hired for the season.

Affidavit of John Levake.

State of Michigan, County of Macomb, ss.

John Levake, being duly sworn, doth depose and say, that in the month of April last past, he was employed by Aaron Weeks, one of the contractors on the Sault de Ste Marie canal, to assist him in the construction of said work; that with this object in view, and in pursuance of which arrangement with Mr. Weeks, he (this deponent) repaired to the Sault de Ste Marie, where he arrived in May last, about the 9th day; that immediately after this deponent arrived there, he heard Lieut. Root, an officer in the United States army, at that time stationed at Fort Brady, Chippewa county, distant from the line of said contemplated canal, about half a mile, say that he should be under the necessity of preventing the contractors from going on with said work; and further, that this deponent was at work about twenty rods from the men who were at work on the line of the canal, when he saw Capt. Johnson, the officer in command at Fort Brady, march down his troops to the line of said canal, where the said men were at work, and then saw the workmen on the canal, march down in advance of the troops.

JOHN LEVAKE.

Sworn and subscribed to before me, this 30th day of December, A. D. 1839.

RICHARD BUTLER,
Notary Public, Macomb County.

Affidavit of J. B. Van Rensselaer.

State of Michigan, County of Macomb, ss.

James B. Van Rensselaer, of Mount Clemens, county and state aforesaid, being duly sworn, doth depose and say, that sometime in the month of April last, he was employed by Aaron Weeks, of Mount Clemens, in the county and state aforesaid, one of the contractors on the Sault de Ste Marie canal, to assist him in the construction of said work, and to take charge of and oversee the same in his absence. That in pursuance of this arrangement with Mr. Weeks, he, this deponent, repaired to the said Sault de Ste Marie, where he arrived in the month of May, A. D. 1889, with about fifty men, provisions, and the necessary tools and implements to commence work with on said canal. That immediately after this deponent's arrival at the place of destination; and while engaged in unloading and securing his provisions, lieut. Root, an officer in the United States army, then stationed at Fort Brady, distant from this canal about half a mile, remarked to this deponent in conversation on the subject of said canal, that he (lieut. Root,) should be obliged to prevent him, this deponent, from going to work on said line; that he expected a letter from Washington by next mail, and could not and should not suffer the hands to proceed with the work in question; and that if they went to work, he, (lieut. Root,) should execute his orders and drive them off. And this deponent further saith, that after himself, and some of the men with him, in all about forty, had commenced operations in digging on said line, that capt. Johnson, the officer then in command at the Fort, marched down at the head of a company of regulars, about thirty in number, armed with muskets and bayonets, and commanded this deponent and others, to desist work, and stated that he had received orders from the war department, to prevent their proceeding with the work; and that capt. Johnson then stepped up to one of the foremen, near this deponent, at work at the time of capt. Johnson's arrival on the ground with the troops, and took the spade from him with which he was working, and told him he must desist work, as his orders must be obeyed; whereupon, this deponent and the men with him, suspended work, and were marched off from the line of the canal by capt. Johnson, with his company of armed regulars. And this deponent would further say, that at the time capt. Johnson wrested the spade from one of the foremen at work on the line, he had his sword drawn, and remarked that one side of the mill race was an Indian reservation, and the other side belonged to the United States, and that they should not proceed with the work, and further he saith not.

JAMES B. VAN RENSSELAER.

Sworn to and subscribed before me, this 31st December, A. D. 1839.

RICHARD BUTLER,
Notary Public, Macomb County.

State of Michigan, County of Macomb, ss.

Aaron Weeks of Mt. Clemens, county of Macomb and state aforesaid, being duly sworn, doth depose and say, that he is one of the contractors on the Sault de Ste Marie canal; that in April last he employed James B. Van Rensselaer to assist him in the construction of said work, and to take charge of, and oversee the hands on the same during his, this deponents, absence; and that the said Van Rensselaer with about fifty men, provisions, tools and necessary implements, repaired to the Sault a few days before this deponent; that this deponent arrived at the Sault de Ste Marie on Saturday evening, the 11th day of May, A. D. 1839. That on Sunday morning the 12th May, the day after his arrival on the ground, lieutenant Root called on this deponent and handed him a written notice, the contents of which can be ascertained by referring to the paper marked A; this deponent then went and conversed with said lieut. Root, on the subject of commencing operations on said canal, when the said Root replied to him, this deponent, that he, (Root,) was not prepared to argue the question with him, whether it would be an injury or an advantage to the United States; but he should not go on with the work, as his orders were positive; that this deponent then wrote to said lieut. Root, (who styled himself in the notice, assistant acting quartermaster,) a letter, for the purport of which, see paper marked B; that in reply to this letter, this deponent received a communication from captain Johnson, which will be found by referring to the paper marked C; that the next or the second day after the receipt of this letter from captain Johnson, this deponent with a part of his men, about forty in number, commenced operations on said canal by removing the obstructions on the line, and by commencing digging, when captain Johnson, the officer in command at fort Brady, ordered out a company of regulars, armed with muskets and bayonets, and marched them down to where the said men were at work on the line of the canal; when the said captain Johnson came near this deponent, he ordered him to stop work, this deponent in reply, remarked to him that he could not, as he was under contract with the state of Michigan, to complete the work by a certain time; that the said captain Johnson then marched his men down the line to a point where James B. Van Rensselaer had some men at work digging, &c., and command-

SENATE DOCUMENTS.



ed the men to desist labor, some of the men felt disposed not to obey, whereupon, captain Johnson stepped up to one of the foremen, James Sherrill, with his sword drawn, and wrested from him the spade with which he was working, and commanded the men to desist work; that his orders must be obeyed, remarking that upon one side of the mill race was an Indian reservation, and that the other belonged to the United States, upon this the men ceased work, and captain Johnson marched them off the line of the canal.

And this deponent would further say, that after being thus interrupted and prevented in the prosecution of this work, and finally driven from the ground, through the direct interference of the military of the United States, he was compelled to abandon the work, and leave there with his men; and further said deponent sayeth not.

A. WEEKS.

Sworn and subscribed to before me, this 30th day of December, 1839.

RICHARD BUTLER,
Notary Public, Macomb County.

Contract with the State, or the Acting Commissioner.

An agreement made this seventh day of September, 1838, between James Smith and Urial Driggs, of the first part, and Aaron Weeks, of the second part:

First. The said party of the first part, for and in consideration of the agreements and stipulations hereinafter contained, do covenant and agree to assign and release their interests to an equal and undivided third of a certain contract executed by Rix Robinson, as commissioner, for constructing the canal at the falls of Sault de Ste Marie.

And the said party of the second part, for and in consideration of such assignment, doth hereby agree to turn in to the said company, the vessel called the Eliza Ward, of seventy or eighty tons burthen, to be completely rigged and seaworthy, and to be used and owned by the said parties jointly.

And the said party of the second part, doth further covenant and agree to bear one third of the expense of constructing said canal, according to the terms of the aforesaid agreement with the said commissioner, and receive one third of the net profits arising from the same, in case there should be any, and to bear one third of the loss.

And the said party of the second part doth further agree, to devote one half of his time in superintending the construction of said work, and also to furnish flour, pork, and other materials necessary to carry on said work, at the prime cost, and char-

ges to be paid out of the first moneys received from the said commissioner.

(Signed,)

JAMES SMITH,
U. DRIGGS,
A. WEEKS.

I approve of the within assignment.

RIX ROBINSON,

Acting Com'r Sault de Ste Marie Canal.

Detroit, April 19, 1839.

Treaty with the Chippewas.

Articles of a treaty made and concluded at the Sault de Ste Marie, in the territory of Michigan, between the United States of America, by their commissioner, Lewis Cass, and the Chippewa tribe of Indians.

Article 1. The Chippewa tribe of Indians cede to the United States the following tract of land : beginning at the big rock, in the river Ste Marie, on the boundary line between the United States and the British province of Upper Canada, and running thence down the said river, with the middle thereof, to the Little rapids, and from those points running back from the said river so as to include sixteen square miles of land.

Art. 2. The Chippewa tribe of Indians acknowledge to have received a quantity of goods in full satisfaction of the preceding cession.

Art. 3. The United States will secure to the Indians a perpetual right of fishing at the falls of Ste Marie, and also, a place of encampment upon the tract hereby ceded, convenient to the fishing grounds, which place shall not interfere with the defences of any military work which may be erected, nor with any private rights.

Art. 4. This treaty, after the same shall be ratified by the president of the United States, by and with the advice and consent of the senate thereof, shall be obligatory on the contracting parties.

In witness whereof, the said Lewis Cass, commissioner, as aforesaid, and the chiefs and warriors of said Chippewa tribe of Indians, have hereunto set their hands, at the place aforesaid, this sixteenth day of June, in the year of our Lord one thousand eight hundred and twenty.

LEWIS CASS.

(Signed, also, by the chiefs and warriors of the Chippewa tribe of Indians.)

